

LEGISLATURE OF NEBRASKA
ONE HUNDRED EIGHTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1363

FINAL READING

Introduced by McDonnell, 5.

Read first time January 17, 2024

Committee: Revenue

1 A BILL FOR AN ACT relating to revenue and taxation; to amend sections
2 76-901, 76-903, 77-1327, and 77-2018, Reissue Revised Statutes of
3 Nebraska, sections 55-901, 77-2005, 77-2006, and 81-3140, Revised
4 Statutes Cumulative Supplement, 2022, and section 81-12,243, Revised
5 Statutes Supplement, 2023; to change provisions relating to the rate
6 and disbursement of the documentary stamp tax, the Military Base
7 Development and Support Fund, the Economic Recovery Contingency
8 Fund, and the Health Care Homes for the Medically Underserved Fund;
9 to change inheritance tax rates and provide for refunds as
10 prescribed; to harmonize provisions; to provide an operative date;
11 and to repeal the original sections.
12 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 55-901, Revised Statutes Cumulative Supplement,
2 2022, is amended to read:

3 55-901 (1) The Military Base Development and Support Fund is
4 created. The fund shall be used to contribute to construction,
5 development, or support on any military base, located in Nebraska, for
6 purposes of improving mission retention and recruitment; supporting the
7 morale, health, and mental wellness of military members and families; and
8 growing the economic impact of military bases in Nebraska. The Department
9 of Veterans' Affairs shall administer the fund. The fund shall consist of
10 money received pursuant to section 76-903, transfers authorized by the
11 Legislature, and any gifts, grants, or bequests from any source,
12 including federal, state, public, and private sources, for such purposes.
13 Any money in the fund available for investment shall be invested by the
14 state investment officer pursuant to the Nebraska Capital Expansion Act
15 and the Nebraska State Funds Investment Act.

16 (2) Money transferred to the fund under section 76-903 shall be used
17 for funding businesses and amenities linked to military installations and
18 enhancing business attraction and economic growth in Nebraska's military
19 sector through distributions of:

20 (a) Twenty-five percent of the money as grants to organizations that
21 support the United States Department of Defense SkillBridge program;

22 (b) Twenty-five percent of the money as grants to programs providing
23 mental health services for veterans;

24 (c) Twenty-five percent of the money for military research and
25 development planning, which may be used to administer programming; and

26 (d) Twenty-five percent of the money to support veteran businesses;

27 (3) ~~(2)~~ The fund may be used for projects on military bases located
28 in Nebraska, including, but not limited to:

29 (a) An outdoor airman amenity pavilion;

30 (b) Track and field stadium improvements;

31 (c) A parade-ground walking trail;

- 1 (d) Improvements at Willow Lakes Golf Course;
- 2 (e) Base Lake improvements;
- 3 (f) Landscape enhancements;
- 4 (g) Deterrence Park;
- 5 (h) Looking Glass Heritage Park;
- 6 (i) Quarters 13 comprehensive repairs, design, and construction; and
- 7 (j) B1000 Rooftop Garden.

8 ~~(4)~~ ~~(3)~~ The Department of Veterans' Affairs shall require a match of
9 private funding in an amount equal to or greater than one-half of the
10 total cost of any project listed in subsection ~~(3)~~ ~~(2)~~ of this section
11 prior to authorizing an expenditure from the fund.

12 Sec. 2. Section 76-901, Reissue Revised Statutes of Nebraska, is
13 amended to read:

14 76-901 There is hereby imposed a tax on the grantor executing the
15 deed as defined in section 76-203 upon the transfer of a beneficial
16 interest in or legal title to real estate at the rate of three ~~two~~
17 dollars and twenty-five cents for each one thousand dollars value or
18 fraction thereof. For purposes of sections 76-901 to 76-908, value means
19 (1) in the case of any deed, not a gift, the amount of the full actual
20 consideration thereof, paid or to be paid, including the amount of any
21 lien or liens assumed, and (2) in the case of a gift or any deed with
22 nominal consideration or without stated consideration, the current market
23 value of the property transferred. Such tax shall be evidenced by stamps
24 to be attached to the deed. All deeds purporting to transfer legal title
25 or beneficial interest shall be presumed taxable unless it clearly
26 appears on the face of the deed or sufficient documentary proof is
27 presented to the register of deeds that the instrument is exempt under
28 section 76-902.

29 Sec. 3. Section 76-903, Reissue Revised Statutes of Nebraska, is
30 amended to read:

31 76-903 The Tax Commissioner shall design such stamps in such

1 denominations as in his or her judgment will be the most advantageous to
2 all persons concerned. When any deed subject to the tax imposed by
3 section 76-901 is offered for recordation, the register of deeds shall
4 ascertain and compute the amount of the tax due thereon and shall collect
5 such amount as a prerequisite to acceptance of the deed for recordation.
6 If a dispute arises concerning the taxability of the transfer, the
7 register of deeds shall not record the deed until the disputed tax is
8 paid. If a disputed tax has been paid, the taxpayer may file for a refund
9 pursuant to section 76-908. The taxpayer may also seek a declaratory
10 ruling pursuant to rules and regulations adopted and promulgated by the
11 Department of Revenue. From each ~~three two~~ dollars and twenty-five cents
12 of tax collected pursuant to section 76-901, the register of deeds shall
13 retain one dollar and fifteen ~~fifty~~ cents to be placed in the county
14 general fund and shall remit the balance to the State Treasurer who shall
15 credit: ~~ninety-five cents of such amount to the Affordable Housing Trust~~
16 ~~Fund, twenty-five cents of such amount to the Site and Building~~
17 ~~Development Fund, twenty five cents of such amount to the Homeless~~
18 ~~Shelter Assistance Trust Fund, and thirty cents of such amount to the~~
19 ~~Behavioral Health Services Fund.~~

20 (1) One dollar and thirteen cents of such amount to the Affordable
21 Housing Trust Fund;

22 (2) Twenty-five cents of such amount to the Site and Building
23 Development Fund;

24 (3) Twenty-five cents of such amount to the Homeless Shelter
25 Assistance Trust Fund;

26 (4) Thirty-four cents of such amount to the Behavioral Health
27 Services Fund;

28 (5) Five cents of such amount to the Economic Recovery Contingency
29 Fund for the establishment and operation of an office to pursue and
30 coordinate grant funding on behalf of the state;

31 (6) Five cents of such amount to the Military Base Development and

1 Support Fund to provide funding to support businesses and amenities
2 linked to military installations and to enhance business attraction and
3 economic growth in Nebraska's military sector through the distributions
4 described in subsection (2) of section 55-901; and

5 (7) Three cents of such amount to the Health Care Homes for the
6 Medically Underserved Fund for federally qualified health centers as
7 grants to be used for persons receiving services under subsections (h)
8 and (i) of section 330 of the federal Public Health Service Act, 42
9 U.S.C. 254b, as such section existed on January 1, 2024.

10 Sec. 4. Section 77-1327, Reissue Revised Statutes of Nebraska, is
11 amended to read:

12 77-1327 (1) It is the intent of the Legislature that accurate and
13 comprehensive information be developed by the Property Tax Administrator
14 and made accessible to the taxing officials and property owners in order
15 to ensure the uniformity and proportionality of the assessments of real
16 property valuations in the state in accordance with law and to provide
17 the statistical and narrative reports pursuant to section 77-5027.

18 (2) All transactions of real property for which the statement
19 required in section 76-214 is filed shall be available for development of
20 a sales file by the Property Tax Administrator. All transactions with
21 stated consideration of more than one hundred dollars or upon which more
22 than ~~three~~ two dollars and twenty-five cents in documentary stamp taxes
23 are paid shall be considered sales. All sales shall be deemed to be arm's
24 length transactions unless determined to be otherwise under
25 professionally accepted mass appraisal techniques. The Department of
26 Revenue shall not overturn a determination made by a county assessor
27 regarding the qualification of a sale unless the department reviews the
28 sale and determines through the review that the determination made by the
29 county assessor is incorrect.

30 (3) The Property Tax Administrator annually shall make and issue
31 comprehensive assessment ratio studies of the average level of

1 assessment, the degree of assessment uniformity, and the overall
2 compliance with assessment requirements for each major class of real
3 property subject to the property tax in each county. The comprehensive
4 assessment ratio studies shall be developed in compliance with
5 professionally accepted mass appraisal techniques and shall employ such
6 statistical analysis as deemed appropriate by the Property Tax
7 Administrator, including measures of central tendency and dispersion. The
8 comprehensive assessment ratio studies shall be based upon the sales file
9 as developed in subsection (2) of this section and shall be used by the
10 Property Tax Administrator for the analysis of the level of value and
11 quality of assessment for purposes of section 77-5027 and by the Property
12 Tax Administrator in establishing the adjusted valuations required by
13 section 79-1016. Such studies may also be used by assessing officials in
14 establishing assessed valuations.

15 (4) For purposes of determining the level of value of agricultural
16 and horticultural land subject to special valuation under sections
17 77-1343 to 77-1347.01, the Property Tax Administrator shall annually make
18 and issue a comprehensive study developed in compliance with
19 professionally accepted mass appraisal techniques to establish the level
20 of value if in his or her opinion the level of value cannot be developed
21 through the use of the comprehensive assessment ratio studies developed
22 in subsection (3) of this section.

23 (5) County assessors and other taxing officials shall electronically
24 report data on the assessed valuation and other features of the property
25 assessment process for such periods and in such form and content as the
26 Property Tax Administrator shall deem appropriate. The Property Tax
27 Administrator shall so construct and maintain the system used to collect
28 and analyze the data to enable him or her to make intracounty comparisons
29 of assessed valuation, including school districts and other political
30 subdivisions, as well as intercounty comparisons of assessed valuation,
31 including school districts and other political subdivisions. The Property

1 Tax Administrator shall include analysis of real property sales pursuant
2 to land contracts and similar transfers at the time of execution of the
3 contract or similar transfer.

4 Sec. 5. Section 77-2005, Revised Statutes Cumulative Supplement,
5 2022, is amended to read:

6 77-2005 (1) In the case of an uncle, aunt, niece, or nephew related
7 to the deceased by blood or legal adoption, or other lineal descendant of
8 the same, or the spouse or surviving spouse of any of such persons, the
9 rate of tax shall be:

10 (a) For decedents dying prior to January 1, 2023, thirteen percent
11 of the clear market value of the property received by each person in
12 excess of fifteen thousand dollars; ~~and~~

13 (b) For decedents dying on or after January 1, 2023, and before
14 January 1, 2024, eleven percent of the clear market value of the property
15 received by each person in excess of forty thousand dollars; and -

16 (c) For decedents dying on or after January 1, 2024, eight percent
17 of the clear market value of the property received by each person in
18 excess of forty thousand dollars.

19 (2) If the clear market value of the beneficial interest is less
20 than or equal to the applicable exempt amount under subsection (1) of
21 this section, it shall not be subject to tax. In addition, any interest
22 passing to a person described in subsection (1) of this section who is
23 under twenty-two years of age shall not be subject to tax.

24 Sec. 6. Section 77-2006, Revised Statutes Cumulative Supplement,
25 2022, is amended to read:

26 77-2006 (1) In all other cases the rate of tax shall be:

27 (a) For decedents dying prior to January 1, 2023, eighteen percent
28 of the clear market value of the beneficial interests received by each
29 person in excess of ten thousand dollars; ~~and~~

30 (b) For decedents dying on or after January 1, 2023, and before
31 January 1, 2024, fifteen percent of the clear market value of the

1 beneficial interests received by each person in excess of twenty-five
2 thousand dollars; and -

3 (c) For decedents dying on or after January 1, 2024, eight percent
4 of the clear market value of the beneficial interests received by each
5 person in excess of twenty-five thousand dollars.

6 (2) If the clear market value of the beneficial interest is less
7 than or equal to the applicable exempt amount under subsection (1) of
8 this section, it shall not be subject to any tax. In addition, any
9 interest passing to a person who is under twenty-two years of age shall
10 not be subject to tax.

11 Sec. 7. Section 77-2018, Reissue Revised Statutes of Nebraska, is
12 amended to read:

13 77-2018 (1) When any amount of inheritance tax shall have been paid
14 erroneously to the county treasurer, he shall, upon a finding by the
15 court and an order rendered to him of the erroneous payment, refund and
16 pay to the executor, administrator or trustee, person or persons who have
17 paid any such tax in error the amount of such tax so paid. All
18 applications for the repayment of the tax shall be made to the county
19 court within two years of the date of payment. The county court shall
20 hear all evidence relevant to its finding whether or not any amount of
21 inheritance tax has been erroneously paid and if any refund of such
22 payment is due. The court shall notify the county treasurer of its final
23 determination.

24 (2) This subsection applies only to inheritance taxes that were paid
25 prior to the operative date of this act with respect to decedents dying
26 on or after January 1, 2024. If the amount of inheritance taxes paid is
27 more than the amount due after taking into consideration the changes made
28 in sections 77-2005 and 77-2006 by this legislative bill, the county
29 treasurer shall, upon a finding by the court and an order rendered to the
30 county treasurer, refund the overpayment to the executor, administrator
31 or trustee, or person who paid such tax. All applications for a refund

1 under this subsection shall be made to the county court within two years
2 after the date of payment. The county court shall hear all evidence
3 relevant to its finding whether or not a refund is due. The court shall
4 notify the county treasurer of its final determination.

5 Sec. 8. Section 81-12,243, Revised Statutes Supplement, 2023, is
6 amended to read:

7 81-12,243 (1) The Economic Recovery Contingency Fund is created. The
8 fund shall consist of money received pursuant to section 76-903 and
9 transfers by the Legislature to carry out the Economic Recovery Act. Any
10 money in the fund available for investment shall be invested by the state
11 investment officer pursuant to the Nebraska Capital Expansion Act and the
12 Nebraska State Funds Investment Act. Investment earnings on and after
13 July 1, 2023, shall be credited to the fund.

14 (2) Money transferred to the fund under section 76-903 shall be used
15 for the establishment and operation of an office to pursue and coordinate
16 grant funding on behalf of the state.

17 (3) ~~(2)~~ The Department of Economic Development may review the
18 projects listed in the coordination plan and the appendices by the
19 Economic Recovery Special Committee of the Legislature dated January 10,
20 2023, and shall prioritize the use of the fund on projects listed in the
21 coordination plan followed by the projects in the appendices.

22 Sec. 9. Section 81-3140, Revised Statutes Cumulative Supplement,
23 2022, is amended to read:

24 81-3140 (1)(a) The purpose of the Health Care Homes for the
25 Medically Underserved Fund is to enhance the ability of Nebraska's
26 federally qualified health centers to provide patient-centered medical
27 homes to low-income medically underserved populations. Twenty-five
28 percent of the state portion of medicaid fraud settlement funds deposited
29 into the Medicaid Fraud Settlement Fund in the Department of Health and
30 Human Services annually shall be transferred to the Health Care Homes for
31 the Medically Underserved Fund for distribution to federally qualified

1 health centers in Nebraska. Such funds shall be distributed
2 proportionately based on the unduplicated number of patients served in
3 the previous year by such federally qualified health centers as reported
4 through the uniform data system of the Health Resources and Services
5 Administration of the United States Department of Health and Human
6 Services.

7 (b) Five percent of the state portion of the medicaid fraud
8 settlement funds deposited into the Medicaid Fraud Settlement Fund in the
9 Department of Health and Human Services annually shall be transferred to
10 the Health Care Homes for the Medically Underserved Fund for distribution
11 to federally qualified health centers in Nebraska. Such funds shall be
12 used for persons receiving services under section 330(h) or 330(i) of the
13 federal Public Health Service Act, 42 U.S.C. 254b, as such section
14 existed on January 1, 2016.

15 (2) Funds distributed pursuant to subsection (1) of this section
16 shall be used for the following purposes:

17 (a) Hiring, training, certifying, and maintaining staff dedicated to
18 patient-centered chronic disease management, including, but not limited
19 to, case managers, health educators, social workers, outreach and
20 enrollment workers, and community health workers;

21 (b) Providing services, including, but not limited to, interpreter
22 services, transportation services, and social work assistance;

23 (c) Capital improvements, including, but not limited to, facility
24 expansion, leasing additional space, and furnishing, equipment, or
25 redesign of facilities to support patient-centered care;

26 (d) Medication management, including, but not limited to, clinical
27 pharmacy services, pharmacists, clinical pharmacists, technology for
28 monitoring and real-time notification, and care managers;

29 (e) Information technology, including, but not limited to,
30 telehealth services, analytics tools, patient registries, and updates to
31 electronic health records systems; and

1 (f) Reimbursement to health care providers, including, but not
2 limited to, physicians, nurse practitioners, dietitians, diabetic
3 educators, behavioral health providers, and oral health providers.

4 (3) Money transferred to the fund under section 76-903 shall be
5 distributed to federally qualified health centers as grants to be used
6 for persons receiving services under subsections (h) and (i) of section
7 330 of the federal Public Health Service Act, 42 U.S.C. 254b, as such
8 section existed on January 1, 2024.

9 Sec. 10. This act becomes operative on October 1, 2024.

10 Sec. 11. Original sections 76-901, 76-903, 77-1327, and 77-2018,
11 Reissue Revised Statutes of Nebraska, sections 55-901, 77-2005, 77-2006,
12 and 81-3140, Revised Statutes Cumulative Supplement, 2022, and section
13 81-12,243, Revised Statutes Supplement, 2023, are repealed.