

LEGISLATIVE BILL 986

Approved by the Governor April 2, 2014

Introduced by Revenue Committee: Hadley, 37, Chairperson; Hansen, 42; Harr, 8; Schumacher, 22; Sullivan, 41.

FOR AN ACT relating to revenue and taxation; to amend sections 77-3507, 77-3508, 77-3509, and 77-3513, Reissue Revised Statutes of Nebraska; to change homestead exemption income limitations; to provide a homestead exemption for individuals with a developmental disability; to harmonize provisions; to repeal the original sections; and to declare an emergency.

Be it enacted by the people of the State of Nebraska,

Section 1. Section 77-3507, Reissue Revised Statutes of Nebraska, is amended to read:

77-3507 (1) All homesteads in this state shall be assessed for taxation the same as other property, except that there shall be exempt from taxation on homesteads of qualified claimants a percentage of the exempt amount as limited by section 77-3506.03. The percentage of the exempt amount shall be determined based on the household income of a claimant pursuant to subsections (2) through (4) of this section.

(2) For ~~2000~~, 2014, for a qualified married or closely related claimant, the percentage of the exempt amount for which the claimant shall be eligible shall be the percentage in Column B which corresponds with the claimant's household income in Column A in the table found in this subsection.

<u>Column A</u>	<u>Column B</u>
Household Income	Percentage
In Dollars	Of Relief
0 through 22,500	100
22,501 through 23,700	85
23,701 through 24,900	70
24,901 through 26,100	55
26,101 through 27,300	40
27,301 through 28,500	25
28,501 and over	0

<u>Column A</u>	<u>Column B</u>
Household Income	Percentage
In Dollars	Of Relief
<u>0</u> through 31,600	<u>100</u>
<u>31,601</u> through 33,300	<u>90</u>
<u>33,301</u> through 35,000	<u>80</u>
<u>35,001</u> through 36,700	<u>70</u>
<u>36,701</u> through 38,400	<u>60</u>
<u>38,401</u> through 40,100	<u>50</u>
<u>40,101</u> through 41,800	<u>40</u>
<u>41,801</u> through 43,500	<u>30</u>
<u>43,501</u> through 45,200	<u>20</u>

<u>45,201 through 46,900</u>	<u>10</u>
<u>46,901 and over</u>	<u>0</u>

(3) For ~~2000-~~ 2014, for a qualified single claimant, the percentage of the exempt amount for which the claimant shall be eligible shall be the percentage in Column B which corresponds with the claimant's household income in Column A in the table found in this subsection.

<u>Column A</u>	<u>Column B</u>
<u>Household Income</u>	<u>Percentage</u>
<u>In Dollars</u>	<u>Of Relief</u>
<u>0 through 19,200</u>	<u>100</u>
<u>19,201 through 20,200</u>	<u>85</u>
<u>20,201 through 21,200</u>	<u>70</u>
<u>21,201 through 22,200</u>	<u>55</u>
<u>22,201 through 23,200</u>	<u>40</u>
<u>23,201 through 24,200</u>	<u>25</u>
<u>24,201 and over</u>	<u>0</u>

<u>Column A</u>	<u>Column B</u>
<u>Household Income</u>	<u>Percentage</u>
<u>In Dollars</u>	<u>Of Relief</u>
<u>0 through 26,900</u>	<u>100</u>
<u>26,901 through 28,300</u>	<u>90</u>
<u>28,301 through 29,700</u>	<u>80</u>
<u>29,701 through 31,100</u>	<u>70</u>
<u>31,101 through 32,500</u>	<u>60</u>
<u>32,501 through 33,900</u>	<u>50</u>
<u>33,901 through 35,300</u>	<u>40</u>
<u>35,301 through 36,700</u>	<u>30</u>
<u>36,701 through 38,100</u>	<u>20</u>
<u>38,101 through 39,500</u>	<u>10</u>
<u>39,501 and over</u>	<u>0</u>

(4) For exemption applications filed in calendar year ~~2001~~ 2015 and each year thereafter, the income eligibility amounts in subsections (2) and (3) of this section shall be adjusted for inflation by the method provided in section 151 of the Internal Revenue Code. The income eligibility amounts shall be adjusted for cumulative inflation since ~~2000-~~ 2014. If any amount is not a multiple of one hundred dollars, the amount shall be rounded to the next lower multiple of one hundred dollars.

Sec. 2. Section 77-3508, Reissue Revised Statutes of Nebraska, is amended to read:

77-3508 (1)(a) All homesteads in this state shall be assessed for taxation the same as other property, except that there shall be exempt from taxation, on any homestead described in subdivision (b) of this subsection, a percentage of the exempt amount as limited by section 77-3506.03. The exemption shall be based on the household income of a claimant pursuant to subsections (2) through (4) of this section.

(b) The exemption described in subdivision (a) of this subsection

shall apply to homesteads of:

(i) Veterans as defined in section 80-401.01 who were discharged or otherwise separated with a characterization of honorable or general (under honorable conditions) and who are totally disabled by a non-service-connected accident or illness;

(ii) Individuals who have a permanent physical disability and have lost all mobility so as to preclude locomotion without the regular use of a mechanical aid or prostheses; and

(iii) Individuals who have undergone amputation of both arms above the elbow or who have a permanent partial disability of both arms in excess of seventy-five percent; and-

(iv) Beginning January 1, 2015, individuals who have a developmental disability as defined in section 83-1205.

(c) Application for the exemption described in subdivision (a) of this subsection shall include certification from a qualified medical physician, physician assistant, or advanced practice registered nurse for subdivisions (b) (i) through (b) (iii) of this subsection, ~~or~~ certification from the United States Department of Veterans Affairs affirming that the homeowner is totally disabled due to non-service-connected accident or illness for subdivision (b) (i) of this subsection, or certification from the Department of Health and Human Services for subdivision (b) (iv) of this subsection. Such certification from a qualified medical physician, physician assistant, or advanced practice registered nurse or from the Department of Health and Human Services shall be made on forms prescribed by the Department of Revenue.

(2) For ~~2000,~~ 2014, for a married or closely related claimant as described in subsection (1) of this section, the percentage of the exempt amount for which the claimant shall be eligible shall be the percentage in Column B which corresponds with the claimant's household income in Column A in the table found in this subsection.

Column A	Column B
Household Income	Percentage
In Dollars	Of Relief
0 through 24,700	100
24,701 through 25,900	85
25,901 through 27,100	70
27,101 through 28,300	55
28,301 through 29,500	40
29,501 through 30,700	25
30,701 and over	0

<u>Column A</u>	<u>Column B</u>
<u>Household Income</u>	<u>Percentage</u>
<u>In Dollars</u>	<u>Of Relief</u>
<u>0</u> through 34,700	<u>100</u>
<u>34,701</u> through 36,400	<u>90</u>
<u>36,401</u> through 38,100	<u>80</u>
<u>38,101</u> through 39,800	<u>70</u>
<u>39,801</u> through 41,500	<u>60</u>
<u>41,501</u> through 43,200	<u>50</u>
<u>43,201</u> through 44,900	<u>40</u>
<u>44,901</u> through 46,600	<u>30</u>

<u>46,601 through 48,300</u>	<u>20</u>
<u>48,301 through 50,000</u>	<u>10</u>
<u>50,001 and over</u>	<u>0</u>

(3) For ~~2000~~, 2014, for a single claimant as described in subsection (1) of this section, the percentage of the exempt amount for which the claimant shall be eligible shall be the percentage in Column B which corresponds with the claimant's household income in Column A in the table found in this subsection.

<u>Column A</u>	<u>Column B</u>
<u>Household Income</u>	<u>Percentage</u>
<u>In Dollars</u>	<u>Of Relief</u>
0 through 21,600	100
21,601 through 22,600	85
22,601 through 23,600	70
23,601 through 24,600	55
24,601 through 25,600	40
25,601 through 26,600	25
26,601 and over	0

<u>Column A</u>	<u>Column B</u>
<u>Household Income</u>	<u>Percentage</u>
<u>In Dollars</u>	<u>Of Relief</u>
<u>0 through 30,300</u>	<u>100</u>
<u>30,301 through 31,700</u>	<u>90</u>
<u>31,701 through 33,100</u>	<u>80</u>
<u>33,101 through 34,500</u>	<u>70</u>
<u>34,501 through 35,900</u>	<u>60</u>
<u>35,901 through 37,300</u>	<u>50</u>
<u>37,301 through 38,700</u>	<u>40</u>
<u>38,701 through 40,100</u>	<u>30</u>
<u>40,101 through 41,500</u>	<u>20</u>
<u>41,501 through 42,900</u>	<u>10</u>
<u>42,901 and over</u>	<u>0</u>

(4) For exemption applications filed in calendar year ~~2001~~ 2015 and each year thereafter, the income eligibility amounts in subsections (2) and (3) of this section shall be adjusted for inflation by the method provided in section 151 of the Internal Revenue Code. The income eligibility amounts shall be adjusted for cumulative inflation since ~~2000~~, 2014. If any amount is not a multiple of one hundred dollars, the amount shall be rounded to the next lower multiple of one hundred dollars.

Sec. 3. Section 77-3509, Reissue Revised Statutes of Nebraska, is amended to read:

77-3509 (1)(a) All homesteads in this state shall be assessed for taxation the same as other property, except that there shall be exempt from taxation, on any homestead described in subdivision (b) of this subsection, a percentage of the exempt amount as limited by section 77-3506.03.

(b) The exemption described in subdivision (a) of this subsection shall apply to homesteads of:

(i) A veteran described in section 80-401.01 who was discharged or otherwise separated with a characterization of honorable or general (under honorable conditions), who is drawing compensation from the United States Department of Veterans Affairs because of one hundred percent disability, and who is not eligible for total exemption under sections 77-3526 to 77-3528 or the unremarried widow or widower of a veteran described in this subdivision (i);

(ii) An unremarried widow or widower of any veteran, including a veteran other than a veteran described in section 80-401.01, who was discharged or otherwise separated with a characterization of honorable or general (under honorable conditions) and who died because of a service-connected disability;

(iii) An unremarried widow or widower of a serviceman or servicewoman who died while on active duty during the periods described in section 80-401.01; and

(iv) An unremarried widow or widower of a serviceman or servicewoman, including a veteran other than a veteran described in section 80-401.01, whose death while on active duty was service-connected.

(c) The exemption described in subdivision (a) of this subsection shall be based on the household income of a claimant pursuant to subsections (2) through (4) of this section. Application for exemption under this section shall include certification of the status set forth in this section from the United States Department of Veterans Affairs.

(2) For ~~2000~~, 2014, for a married or closely related claimant as described in subsection (1) of this section, the percentage of the exempt amount for which the claimant shall be eligible shall be the percentage in Column B which corresponds with the claimant's household income in Column A in the table found in this subsection.

Column A	Column B
Household Income	Percentage
In Dollars	Of Relief
0 through 24,700	100
24,701 through 25,900	85
25,901 through 27,100	70
27,101 through 28,300	55
28,301 through 29,500	40
29,501 through 30,700	25
30,701 and over	0

<u>Column A</u>	<u>Column B</u>
<u>Household Income</u>	<u>Percentage</u>
<u>In Dollars</u>	<u>Of Relief</u>
<u>0</u> through 34,700	<u>100</u>
<u>34,701</u> through 36,400	<u>90</u>
<u>36,401</u> through 38,100	<u>80</u>
<u>38,101</u> through 39,800	<u>70</u>
<u>39,801</u> through 41,500	<u>60</u>
<u>41,501</u> through 43,200	<u>50</u>
<u>43,201</u> through 44,900	<u>40</u>
<u>44,901</u> through 46,600	<u>30</u>

<u>46,601 through 48,300</u>	<u>20</u>
<u>48,301 through 50,000</u>	<u>10</u>
<u>50,001 and over</u>	<u>0</u>

(3) For ~~2000~~, 2014, for a single claimant as described in subsection (1) of this section, the percentage of the exempt amount for which the claimant shall be eligible shall be the percentage in Column B which corresponds with the claimant's household income in Column A in the table found in this subsection.

<u>Column A</u>	<u>Column B</u>
<u>Household Income</u>	<u>Percentage</u>
<u>In Dollars</u>	<u>Of Relief</u>
0 through 21,600	100
21,601 through 22,600	85
22,601 through 23,600	70
23,601 through 24,600	55
24,601 through 25,600	40
25,601 through 26,600	25
26,601 and over	0

<u>Column A</u>	<u>Column B</u>
<u>Household Income</u>	<u>Percentage</u>
<u>In Dollars</u>	<u>Of Relief</u>
<u>0 through 30,300</u>	<u>100</u>
<u>30,301 through 31,700</u>	<u>90</u>
<u>31,701 through 33,100</u>	<u>80</u>
<u>33,101 through 34,500</u>	<u>70</u>
<u>34,501 through 35,900</u>	<u>60</u>
<u>35,901 through 37,300</u>	<u>50</u>
<u>37,301 through 38,700</u>	<u>40</u>
<u>38,701 through 40,100</u>	<u>30</u>
<u>40,101 through 41,500</u>	<u>20</u>
<u>41,501 through 42,900</u>	<u>10</u>
<u>42,901 and over</u>	<u>0</u>

(4) For exemption applications filed in calendar year ~~2001~~ 2015 and each year thereafter, the income eligibility amounts in subsections (2) and (3) of this section shall be adjusted for inflation by the method provided in section 151 of the Internal Revenue Code. The income eligibility amounts shall be adjusted for cumulative inflation since ~~2000~~, 2014. If any amount is not a multiple of one hundred dollars, the amount shall be rounded to the next lower multiple of one hundred dollars.

Sec. 4. Section 77-3513, Reissue Revised Statutes of Nebraska, is amended to read:

77-3513 (1) Except as required by section 77-3514, if an owner is granted a homestead exemption as provided in section 77-3507 or 77-3509 or subdivision (1)(b)(ii), ~~or (iii)~~, or (iv) of section 77-3508, no reapplication need be filed for succeeding years, in which case the county assessor and Tax

Commissioner shall determine whether the claimant qualifies for the homestead exemption in such succeeding years as otherwise provided in sections 77-3501 to 77-3529 as though a claim were made.

(2) It shall be the duty of each claimant who wants the homestead exemption provided in subdivision (1)(b)(i) of section 77-3508 to file an application therefor with the county assessor on or before June 30 of each year. Failure to do so shall constitute a waiver of the exemption for such year, except that:

(a) The county board of the county in which the homestead is located may, by majority vote, extend the deadline for an applicant to on or before July 20. An extension shall not be granted to an applicant who received an extension in the immediately preceding year; and

(b) A claimant may file a late application pursuant to section 77-3514.01 if he or she includes documentation of a medical condition which impaired the claimant's ability to file the application in a timely manner.

(3) The county assessor shall mail a notice on or before April 1 to claimants who are the owners of a homestead which was granted an exemption under subdivision (1)(b)(i) of section 77-3508 in the preceding year unless the claimant has already filed the application for the current year or the county assessor has reason to believe there has been a change of circumstances so that the claimant no longer qualifies. The notice shall include the claimant's name, the application deadlines for the current year, a list of documents that must be filed with the application, and the county assessor's office address and telephone number.

Sec. 5. Original sections 77-3507, 77-3508, 77-3509, and 77-3513, Reissue Revised Statutes of Nebraska, are repealed.

Sec. 6. Since an emergency exists, this act takes effect when passed and approved according to law.