

ONE HUNDRED FOURTH LEGISLATURE

FIRST SESSION

LEGISLATIVE RESOLUTION 328

Introduced by Davis, 43; Friesen, 34; Groene, 42; Hughes, 44; Kuehn, 38;
Larson, 40; Schilz, 47; Schnoor, 15.

PURPOSE: The purpose of this resolution is to examine options for implementing a "circuit breaker" tax credit to protect agricultural property owners in Nebraska from a property tax "overload" by providing a tax credit when property taxes are excessive relative to the taxpayer's income. This study shall examine the circuit breaker mechanism that was included as a property tax relief option in LR566 (2014) and as a property tax recommendation in the report of the Tax Modernization Committee created by LR155 (2013).

This study shall include, but not be limited to, an examination of the following issues:

(1) Property taxes paid by Nebraska agricultural property owners relative to their incomes;

(2) Mechanisms for reducing property taxes for agricultural property owners paying high property taxes relative to their incomes, particularly the agricultural property tax circuit breaker concept and its variations, including multiple threshold and sliding scale circuit breakers;

(3) Agricultural property tax circuit breakers and similar programs in other states including Michigan's Farmland and Open Space Preservation Program and Wisconsin's farmland preservation and tax relief credit programs;

(4) Recommendations for definitions and limitations in using an agricultural property tax circuit breaker to avoid abuse of the program and ensure credits are delivered to those with the highest need, including the types of land use that would qualify as agricultural uses, the duration of agricultural use required to qualify for the credit, which families and businesses would be eligible, which property taxes would be included, and the measure of income to be used; and

(5) The fiscal impact of potential options for an agricultural property tax circuit breaker in Nebraska.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ONE HUNDRED FOURTH LEGISLATURE OF NEBRASKA, FIRST SESSION:

1. That the Revenue Committee of the Legislature shall be designated to conduct an interim study to carry out the purposes of this resolution.

2. That the committee shall upon the conclusion of its study make a report of its findings, together with its recommendations, to the Legislative Council or Legislature.