AMENDMENTS TO LB461

Introduced by Revenue.

1. Strike the original sections and insert the following new sections:

Section 1. Sections 1 to 9 of this act shall be known and may be cited as the Agricultural Valuation Fairness Act.

Sec. 2. Pursuant to Article VIII, section 1, subdivisions (4) and (5), of the Constitution of Nebraska, the Legislature finds and declares that:

(1) The agricultural industry is a vital part of the economy of this state;

(2) The nature of the agricultural industry and commodity prices affect the value of agricultural land and horticultural land;

(3) All agricultural land and horticultural land in Nebraska has an actual value as defined in section 77-112 reflecting purposes or uses other than agricultural or horticultural purposes or uses;

(4) Market influences to use agricultural land and horticultural land for purposes other than agricultural or horticultural purposes are present throughout the state and cause the prices paid for agricultural land and horticultural land to exceed the value such land has for agricultural or horticultural purposes;

(5) The best and most uniform way to exclude any value that agricultural land and horticultural land has for purposes other than agricultural or horticultural purposes is to rely on the income-producing characteristics of the land; and

(6) Agricultural land and horticultural land should be assessed at its agricultural-use value using an income approach that complies with professionally accepted mass appraisal techniques.

Sec. 3. For purposes of the Agricultural Valuation Fairness Act:
(1) Agricultural land and horticultural land means a parcel of land, excluding land associated with a building or enclosed structure located on the parcel, which is primarily used for agricultural or horticultural purposes, including wasteland lying in or adjacent to and in common ownership or management with other agricultural land and horticultural land;

(2) Agricultural or horticultural purposes means used for the commercial production of any plant or animal product in a raw or unprocessed state that is derived from the science and art of agriculture, aquaculture, or horticulture. Agricultural or horticultural purposes includes the following uses of land:

   (a) Land retained or protected for future agricultural or horticultural purposes under a conservation easement approved as required by section 76-2,112 except when the parcel or a portion thereof is being used for purposes other than agricultural or horticultural purposes; and

   (b) Land enrolled in a federal or state program in which payments are received for removing such land from agricultural or horticultural production;

(3) Agricultural-use value means the value of land for agricultural or horticultural purposes or uses without regard to the value of such land for other purposes or uses as determined pursuant to the Agricultural Valuation Fairness Act;

(4) Farm home site means land contiguous to a farm site which includes an inhabitable residence and improvements used for residential purposes and which is located outside of urban areas or outside a platted and zoned subdivision; and

(5) Farm site means the portion of land contiguous to land actively devoted to agriculture which includes improvements that are agricultural or horticultural in nature, including any uninhabitable or unimproved farm home site.
separate and distinct class of real property for purposes of assessment.

(2) For assessments made on or after January 1, 2018, the assessed
value of agricultural land and horticultural land shall be determined as
follows:

(a) The assessed value of agricultural land and horticultural land
shall not be uniform and proportionate with all other real property, but
the assessed value shall be uniform and proportionate within the class of
agricultural land and horticultural land based on the income potential of
the land; and

(b) Agricultural land and horticultural land shall be valued at its
agricultural-use value as determined pursuant to the Agricultural
Valuation Fairness Act regardless of any value which such land might have
for purposes other than agricultural or horticultural purposes.

(3) The eligibility of land for agricultural-use value shall be
determined each year as of January 1. If land so qualified becomes
disqualified on or before December 31 of that year, it shall continue to
receive agricultural-use value until January 1 of the year following.

Sec. 5. (1) The county assessor shall use an income-approach
calculation to determine the agricultural-use value for each assessment
year beginning on or after January 1, 2018. The income-approach
calculation shall be consistent with the Agricultural Valuation Fairness
Act and any rules and regulations adopted and promulgated by the Tax
Commissioner and shall comply with professionally accepted mass appraisal
techniques.

(2) For purposes of assessing agricultural land and horticultural
land using the income approach, agricultural land and horticultural land
shall be divided into classes and subclasses of real property under
section 77-103.01, including, but not limited to, irrigated cropland,
dryland cropland, grassland used for grazing, grassland used for haying,
wasteland, nurseries, feedlots, and orchards, so that the categories
reflect uses appropriate for the valuation of such land according to law.
Classes shall be inventoried by subclasses of real property based on soil classification standards developed by the Natural Resources Conservation Service of the United States Department of Agriculture as converted into land capability groups by the Property Tax Administrator. Nothing in this section shall be construed to limit the classes and subclasses of real property that may be used by county assessors or the Tax Equalization and Review Commission to achieve more uniform and proportionate valuations.

Sec. 6. (1) The Agricultural Land Valuation Committee is created. The committee's purpose shall be to develop income and expense estimates for all agricultural land and horticultural land in Nebraska and capitalization rates necessary to produce uniform and proportionate assessed valuations. The committee shall meet at least six times per year at the call of the chairperson. The committee shall consist of the following five persons:

(a) The Tax Commissioner or a designee from his or her staff who shall serve as the chairperson of the committee;

(b) A representative of the agricultural and horticultural industry appointed by the Tax Commissioner. The appointment shall be based on recommendations made by not less than three industry groups designated by the Tax Commissioner;

(c) A county assessor appointed by the Tax Commissioner. The county assessor shall be skilled in the valuation of agricultural land and horticultural land and shall hold a certificate issued under section 77-422;

(d) An appraiser from the private sector appointed by the Tax Commissioner. Such appraiser shall hold either a valid credential as a certified general real property appraiser under the Real Property Appraiser Act or an MAI designation from the Appraisal Institute; and

(e) A representative from the faculty of one of the research universities in the state specializing in agricultural economics appointed by the Tax Commissioner.
(2) The committee shall meet in November 2017 and each November thereafter to establish income and capitalization rates for agricultural land and horticultural land based on information available to the committee from the United States Department of Agriculture, the University of Nebraska Institute of Agriculture and Natural Resources, the Nebraska Investment Finance Authority, the Department of Revenue, and any other sources determined necessary by the committee. The Department of Revenue shall electronically publish notice of such meeting no less than thirty days in advance.

(3) Agricultural land and horticultural land shall be valued based on the agricultural-use value, reflected in a capitalized income approach developed pursuant to the Agricultural Valuation Fairness Act, using professionally accepted mass appraisal techniques. The assessed values of agricultural land and horticultural land shall be determined on the basis of the land’s value in use for agricultural or horticultural purposes by capitalizing the net income by a rate that reflects the agricultural-use value in the ordinary course of trade.

(4) Gross income shall be determined by multiplying the average yield for each county by the prior year average commodity price for each major crop type harvested in each county.

(5) For irrigated cropland, dryland cropland, and grassland used for haying, the average yield information shall be determined based on the eight prior years published by the United States Department of Agriculture for those commodities appropriate for each land capability group, with the highest and lowest yields for that period excluded. The average commodity price shall be based on an average of the most recent eight years, excluding the highest and lowest prices of that period.

(6) For grassland used for grazing, the average yield shall be based on the carrying capacity in terms of animal-unit months and the current rental value per animal-unit month for each land capability group. Carrying capacity, by land capability group, shall be based on
productivity estimates published by the Natural Resources Conservation Service of the United States Department of Agriculture or other state or federal agencies as determined by the committee. Rental values per animal-unit month shall be based on an average of the most recent eight years, excluding the highest and lowest values of that period.

(7) The gross income shall be established as a dollar-per-acre value by weighting the major crop types harvested in each county by the number of acres harvested in the previous year. Such crops may include continuous cropland wheat, summer fallow wheat, corn for grain, dry beans, sorghum for grain, sugar beets, soybeans for beans, oats, and alfalfa. Additional crop information appropriate for predominant crops in a county or land capability group shall also be included when available.

(8) Land uses such as accretion land, wasteland, orchards, vineyards, nurseries, and other agricultural land uses without sufficient income information available shall be valued using a sales comparison approach or other professionally accepted mass appraisal technique that produces an assessment at sixty-five percent of its actual value for agricultural or horticultural purposes.

(9) Expenses shall be determined by the committee to reflect average expenses associated for each land use based on information from the United States Department of Agriculture, the University of Nebraska Institute of Agriculture and Natural Resources, landowner surveys made available to the committee, or other sources that yield reliable information. The committee may also use the typical landowner share, which reflects the proportion of the gross receipts received by the landowner in the normal course of farm operation, and typical leasing arrangements as determined from surveys conducted by the Property Tax Administrator or as published by other state or federal agencies.

Sec. 7. The Agricultural Land Valuation Committee shall determine value for each land capability group in each county by dividing the income determined for each parcel under section 6 of this act by a
capitalization rate established by the committee. The committee shall establish the capitalization rates to be applied to each class or subclass of agricultural land and horticultural land within each county. The committee shall ensure that the capitalization rates established under this section result in an aggregate agricultural-use value for the class of agricultural land and horticultural land that is between fifty-five and sixty-five percent of the actual value that the agricultural land and horticultural land has for agricultural or horticultural purposes. However, the aggregate agricultural-use value so established shall not increase more than three and one-half percent from the prior year. The committee shall issue a report of the values established for each land capability group to each county assessor in Nebraska no later than January 1 of each year.

Sec. 8. (1) The county assessor shall implement the values determined by the Agricultural Land Valuation Committee under section 7 of this act. The resulting assessed values for the class of agricultural land and horticultural land shall be reported on the abstract of real property pursuant to section 77-1514.

(2) If a county assessor, based on the facts and circumstances, believes that the values for a land capability group as determined by the committee under sections 6 and 7 of this act result in values that are not uniform and proportionate within the class of agricultural land and horticultural land, the county assessor may petition the Tax Commissioner, on or before February 1, for an alternative value to be applied to that land capability group. The county assessor shall show that the use of the committee’s income as determined under section 6 of this act or capitalization rate as determined under section 7 of this act results in agricultural-use values that are not uniform and proportionate. The Tax Commissioner shall issue a written order to the county assessor no later than March 1.

(3) If the Property Tax Administrator, based on the facts and
circumstances, believes that any agricultural-use value as implemented by the county assessor does not comply with the requirements of the Agricultural Valuation Fairness Act, the Property Tax Administrator may petition the Tax Commissioner, on or before April 1, for an order to adjust the agricultural-use value to achieve compliance with the act. The Tax Commissioner shall issue a written order to the Property Tax Administrator no later than May 1.

(4) Upon receipt of a petition by either the county assessor or the Property Tax Administrator under this section, the Tax Commissioner shall set a date for hearing and shall give notice thereof to the county assessor or Property Tax Administrator, as applicable. The hearing shall be held at least five days following the mailing of such notice. At the hearing, the county assessor, the Property Tax Administrator, or the legal representative of the county assessor or Property Tax Administrator may appear and show cause why the class or subclass of agricultural land and horticultural land in the county should or should not be adjusted. At the hearing, the Tax Commissioner may receive testimony from any interested person. The Tax Commissioner’s order may be appealed within thirty days after the date of the order to the Tax Equalization and Review Commission in accordance with section 77-5013.

(5) If, after the implementation of the orders described in subsections (2) and (3) of this section, the Tax Commissioner finds that the aggregate agricultural-use value of the entire class of agricultural land and horticultural land either (a) is not between fifty-five and sixty-five percent of the aggregate actual value that the agricultural land and horticultural land has for agricultural or horticultural purposes or (b) exceeds the prior year's aggregate agricultural-use value of the entire class of agricultural land and horticultural land by more than three and one-half percent, the Tax Commissioner shall issue an order to each county in the state to uniformly adjust the capitalization rate to comply with the requirements of section 7 of this act.
On or before June 5 of each year, the county assessor of any county adjusted by an order of the Tax Commissioner shall recertify the county abstract of assessment to the Property Tax Administrator. The Property Tax Administrator shall audit the records of the county assessor to determine whether the orders were implemented.

Sec. 9. The Tax Commissioner may adopt and promulgate rules and regulations as necessary to carry out the Agricultural Valuation Fairness Act.

Sec. 10. Section 19-2428, Reissue Revised Statutes of Nebraska, is amended to read:

19-2428 (1) Whenever the governing body of a city of the first or second class or village creates an improvement district as specified in section 19-2427 which includes land adjacent to such city or village and such adjacent land is within an agricultural use zone and is used exclusively for agricultural use, the owners of record title of such adjacent land may apply for a deferral from special assessments pursuant to sections 19-2428 to 19-2431.

(2) For purposes of sections 19-2428 to 19-2431:

(a) Agricultural use means the use of land as described in section 3 of this act 77-1359, so that incidental use of the land for nonagricultural or nonhorticultural purposes shall not disqualify the land; and

(b) Agricultural use zone means designation of any land predominantly for agricultural or horticultural use by any political subdivision pursuant to sections 19-924 to 19-933, Chapter 14, article 4, Chapter 15, article 9, Chapter 16, article 9, Chapter 17, article 10, or Chapter 23, article 1. The primary objective of the agricultural use zoning shall be to preserve and protect agricultural activities and the potential for the agricultural, horticultural, or open use of land. Uses to be allowed on such lands include primarily agricultural-related or horticultural-related uses, and nonagricultural or nonhorticultural uses, and nonagricultural or nonhorticultural
industrial, commercial, or residential uses allowed on such lands shall be restricted so that they do not conflict with or detract from this objective.

Sec. 11. Section 46-294.03, Reissue Revised Statutes of Nebraska, is amended to read:

46-294.03 For purposes of assessment pursuant to the Agricultural Valuation Fairness Act sections 77-1343 to 77-1363, neither the temporary transfer or change of an appropriation nor any resulting land-use changes on the land to which the appropriation was appurtenant prior to the transfer or change shall cause the land to be reclassified to a lower value use or the valuation of the land to be reduced, but the land may be reclassified to a higher value use and its valuation may be increased if a higher value use is made of the land while the temporary transfer or change is in effect. Land from which an appropriation has been permanently transferred shall be classified and valued for tax purposes in accordance with the use of the land after the transfer.

Sec. 12. Section 76-710.04, Revised Statutes Cumulative Supplement, 2016, is amended to read:

76-710.04 (1) A condemner may not take property through the use of eminent domain under sections 76-704 to 76-724 if the taking is primarily for an economic development purpose.

(2) For purposes of this section, economic development purpose means taking property for subsequent use by a commercial for-profit enterprise or to increase tax revenue, tax base, employment, or general economic conditions.

(3) This section does not affect the use of eminent domain for:

(a) Public projects or private projects that make all or a major portion of the property available for use by the general public or for use as a right-of-way, aqueduct, pipeline, transmission line, or similar use;

(b) Removing harmful uses of property if such uses constitute an
immediate threat to public health and safety;

(c) Leasing property to a private person who occupies an incidental part of public property or a public facility, such as a retail establishment on the ground floor of a public building;

(d) Acquiring abandoned property;

(e) Clearing defective property title;

(f) Taking private property for use by a utility or railroad;

(g) Taking private property based upon a finding of blighted or substandard conditions under the Community Development Law if the private property is not agricultural land and or horticultural land as defined in section 3 of this act 77-1359; and

(h) Taking private property for a transmission line to serve a privately developed facility generating electricity using wind, solar, biomass, or landfill gas. Nothing in this subdivision shall be construed to grant the power of eminent domain to a private entity.

Sec. 13. Section 77-103.01, Reissue Revised Statutes of Nebraska, is amended to read:

77-103.01 Class or subclass of real property means a group of properties that share one or more characteristics typically common to all the properties in the class or subclass, but are not typically found in the properties outside the class or subclass. Class or subclass includes, but is not limited to, the classifications of agricultural land and or horticultural land listed in section 5 of this act 77-1363, parcel use, parcel type, location, geographic characteristics, zoning, city size, parcel size, land capability group, and market characteristics appropriate for the valuation of such land. A class or subclass based on market characteristics shall be based on characteristics that affect the actual value in a different manner than it affects the actual value of properties not within the market characteristic class or subclass.

Sec. 14. Section 77-201, Revised Statutes Cumulative Supplement, 2016, is amended to read:
77-201 (1) Except as provided in subsections (2) and (3) through (4) of this section, all real property in this state, not expressly exempt therefrom, shall be subject to taxation and shall be valued at its actual value.

(2) Agricultural land and horticultural land as defined in section 3 of this act 77-1359 shall constitute a separate and distinct class of property for purposes of property taxation, shall be subject to taxation, unless expressly exempt from taxation, and shall be valued at seventy-five percent of its agricultural-use actual value as provided in the Agricultural Valuation Fairness Act.

(3) Agricultural land and horticultural land actively devoted to agricultural or horticultural purposes which has value for purposes other than agricultural or horticultural uses and which meets the qualifications for special valuation under section 77-1344 shall constitute a separate and distinct class of property for purposes of property taxation, shall be subject to taxation, and shall be valued for taxation at seventy-five percent of its special value as defined in section 77-1343.

(4) Historically significant real property which meets the qualifications for historic rehabilitation valuation under sections 77-1385 to 77-1394 shall be valued for taxation as provided in such sections.

(4) (5) Tangible personal property, not including motor vehicles, trailers, and semitrailers registered for operation on the highways of this state, shall constitute a separate and distinct class of property for purposes of property taxation, shall be subject to taxation, unless expressly exempt from taxation, and shall be valued at its net book value. Tangible personal property transferred as a gift or devise or as part of a transaction which is not a purchase shall be subject to taxation based upon the date the property was acquired by the previous owner and at the previous owner's Nebraska adjusted basis. Tangible
personal property acquired as replacement property for converted property shall be subject to taxation based upon the date the converted property was acquired and at the Nebraska adjusted basis of the converted property unless insurance proceeds are payable by reason of the conversion. For purposes of this subsection, (a) converted property means tangible personal property which is compulsorily or involuntarily converted as a result of its destruction in whole or in part, theft, seizure, requisition, or condemnation, or the threat or imminence thereof, and no gain or loss is recognized for federal or state income tax purposes by the holder of the property as a result of the conversion and (b) replacement property means tangible personal property acquired within two years after the close of the calendar year in which tangible personal property was converted and which is, except for date of construction or manufacture, substantially the same as the converted property.

Sec. 15. Section 77-1116, Revised Statutes Cumulative Supplement, 2016, is amended to read:

77-1116 (1) A qualified community development entity that seeks to have an equity investment or long-term debt security designated as a qualified equity investment and eligible for tax credits under the New Markets Job Growth Investment Act shall apply to the Tax Commissioner. There shall be no new applications for such designation filed under this section after December 31, 2022.

(2) The qualified community development entity shall submit an application on a form that the Tax Commissioner provides that includes:

(a) Evidence of the entity's certification as a qualified community development entity, including evidence of the service area of the entity that includes this state;

(b) A copy of the allocation agreement executed by the entity, or its controlling entity, and the Community Development Financial Institutions Fund referred to in section 77-1109;

(c) A certificate executed by an executive officer of the entity
attesting that the allocation agreement remains in effect and has not been revoked or canceled by the Community Development Financial Institutions Fund referred to in section 77-1109;

(d) A description of the proposed amount, structure, and purchaser of the equity investment or long-term debt security;

(e) Identifying information for any taxpayer eligible to utilize tax credits earned as a result of the issuance of the qualified equity investment;

(f) Information regarding the proposed use of proceeds from the issuance of the qualified equity investment; and

(g) A nonrefundable application fee of five thousand dollars.

(3) Within thirty days after receipt of a completed application containing the information necessary for the Tax Commissioner to certify a potential qualified equity investment, including the payment of the application fee, the Tax Commissioner shall grant or deny the application in full or in part. If the Tax Commissioner denies any part of the application, the Tax Commissioner shall inform the qualified community development entity of the grounds for the denial. If the qualified community development entity provides any additional information required by the Tax Commissioner or otherwise completes its application within fifteen days after the notice of denial, the application shall be considered completed as of the original date of submission. If the qualified community development entity fails to provide the information or complete its application within the fifteen-day period, the application remains denied and must be resubmitted in full with a new submission date.

(4) If the application is deemed complete, the Tax Commissioner shall certify the proposed equity investment or long-term debt security as a qualified equity investment that is eligible for tax credits, subject to the limitations contained in section 77-1115. The Tax Commissioner shall provide written notice of the certification to the
qualified community development entity. The notice shall include the names of those taxpayers who are eligible to utilize the credits and their respective credit amounts. If the names of the taxpayers who are eligible to utilize the credits change due to a transfer of a qualified equity investment or a change in an allocation pursuant to section 77-1114, the qualified community development entity shall notify the Tax Commissioner of such change.

(5) The Tax Commissioner shall certify qualified equity investments in the order applications are received. Applications received on the same day shall be deemed to have been received simultaneously. For applications received on the same day and deemed complete, the Tax Commissioner shall certify, consistent with remaining tax credit capacity, qualified equity investments in proportionate percentages based upon the ratio of the amount of qualified equity investment requested in an application to the total amount of qualified equity investments requested in all applications received on the same day.

(6) Once the Tax Commissioner has certified qualified equity investments that, on a cumulative basis, are eligible for the maximum limitation contained in section 77-1115, the Tax Commissioner may not certify any more qualified equity investments for that fiscal year. If a pending request cannot be fully certified, the Tax Commissioner shall certify the portion that may be certified unless the qualified community development entity elects to withdraw its request rather than receive partial credit.

(7) Within thirty days after receiving notice of certification, the qualified community development entity shall issue the qualified equity investment and receive cash in the amount of the certified amount. The qualified community development entity shall provide the Tax Commissioner with evidence of the receipt of the cash investment within ten business days after receipt. If the qualified community development entity does not receive the cash investment and issue the qualified equity investment
within thirty days after receipt of the certification notice, the
certification shall lapse and the entity may not issue the qualified
equity investment without reapplying to the Tax Commissioner for
certification. A certification that lapses reverts back to the Tax
Commissioner and may be reissued only in accordance with the application
process outlined in this section.

(8) Effective July 1, 2017, through December 31, 2022, no new
applications shall be filed under the New Markets Job Growth Investment
Act.

Sec. 16. Section 77-1327, Revised Statutes Cumulative Supplement, 2016, is amended to read:

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

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

(3) The Property Tax Administrator annually shall make and issue
comprehensive assessment ratio studies of the average level of
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assessment, the degree of assessment uniformity, and the overall
compliance with assessment requirements for each major class of real
property, except agricultural land and horticultural land, that is
subject to the property tax in each county. The comprehensive assessment
ratio studies shall be developed in compliance with professionally
accepted mass appraisal techniques and shall employ such statistical
analysis as deemed appropriate by the Property Tax Administrator,
including measures of central tendency and dispersion. The comprehensive
assessment ratio studies shall be based upon the sales file as developed
in subsection (2) of this section and shall be used by the Property Tax
Administrator for the analysis of the level of value and quality of
assessment for purposes of section 77-5027 and by the Property Tax
Administrator in establishing the adjusted valuations required by section
79-1016. Such studies may also be used by assessing officials in
establishing assessed valuations.

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

(4) (5) County assessors and other taxing officials shall
electronically report data on the assessed valuation and other features
of the property assessment process for such periods and in such form and
content as the Property Tax Administrator shall deem appropriate. The
Property Tax Administrator shall so construct and maintain the system
used to collect and analyze the data to enable him or her to make
intracounty comparisons of assessed valuation, including school districts
and other political subdivisions, as well as intercounty comparisons of
assessed valuation, including school districts and other political subdivisions. The Property Tax Administrator shall include analysis of real property sales pursuant to land contracts and similar transfers at the time of execution of the contract or similar transfer.

Sec. 17. Section 77-1371, Revised Statutes Cumulative Supplement, 2016, is amended to read:

77-1371 Comparable sales are recent sales of properties that are similar to the property being assessed in significant physical, functional, and location characteristics and in their contribution to value. When using comparable sales in determining actual value of an individual property under the sales comparison approach provided in section 77-112, the following guidelines shall be considered in determining what constitutes a comparable sale:

(1) Whether the sale was financed by the seller and included any special financing considerations or the value of improvements;

(2) Whether zoning affected the sale price of the property;

(3) For sales of agricultural land and or horticultural land as defined in section 3 of this act 77-1359, whether a premium was paid to acquire property. A premium may be paid when proximity or tax consequences cause the buyer to pay more than actual value for agricultural land and or horticultural land;

(4) Whether sales or transfers made in connection with foreclosure, bankruptcy, or condemnations, in lieu of foreclosure, or in consideration of other legal actions should be excluded from comparable sales analysis as not reflecting current market value;

(5) Whether sales between family members within the third degree of consanguinity include considerations that fail to reflect current market value;

(6) Whether sales to or from federal or state agencies or local political subdivisions reflect current market value;

(7) Whether sales of undivided interests in real property or parcels
less than forty acres or sales conveying only a portion of the unit assessed reflect current market value;

(8) Whether sales or transfers of property in exchange for other real estate, stocks, bonds, or other personal property reflect current market value;

(9) Whether deeds recorded for transfers of convenience, transfers of title to cemetery lots, mineral rights, and rights of easement reflect current market value;

(10) Whether sales or transfers of property involving railroads or other public utility corporations reflect current market value;

(11) Whether sales of property substantially improved subsequent to assessment and prior to sale should be adjusted to reflect current market value or eliminated from such analysis; and

(12) For agricultural land or horticultural land as defined in section 77-1359 which is or has been receiving the special valuation pursuant to sections 77-1343 to 77-1347.01, whether the sale price reflects a value which the land has for purposes or uses other than as agricultural land or horticultural land and therefor does not reflect current market value of other agricultural land or horticultural land;

(12) (13) Whether sales or transfers of property are in a similar market area and have similar characteristics to the property being assessed; and

(14) For agricultural land and horticultural land as defined in section 77-1359 which is within a class or subclass of irrigated cropland pursuant to section 77-1363, whether the difference in well capacity or in water availability due to federal, state, or local regulatory actions or limited source affected the sale price of the property. If data on current well capacity or current water availability is not available from a federal, state, or local government entity, this subdivision shall not be used to determine what constitutes a comparable sale.

The Property Tax Administrator may issue guidelines for assessing
officials for use in determining what constitutes a comparable sale. Guidelines shall take into account the factors listed in this section and other relevant factors as prescribed by the Property Tax Administrator.

Sec. 18. Section 77-1502, Revised Statutes Cumulative Supplement, 2016, is amended to read:

77-1502 (1) The county board of equalization shall meet for the purpose of reviewing and deciding written protests filed pursuant to this section beginning on or after June 1 and ending on or before July 25 of each year. Protests regarding real property shall be signed and filed after the county assessor's completion of the real property assessment roll required by section 77-1315 and on or before June 30. For protests of real property, a protest shall be filed for each parcel. Protests regarding taxable tangible personal property returns filed pursuant to section 77-1229 from January 1 through May 1 shall be signed and filed on or before June 30. The county board in a county with a population of more than one hundred thousand inhabitants based upon the most recent federal decennial census may adopt a resolution to extend the deadline for hearing protests from July 25 to August 10. The resolution must be adopted before July 25 and it will affect the time for hearing protests for that year only. By adopting such resolution, such county waives any right to petition the Tax Equalization and Review Commission for adjustment of a class or subclass of real property under section 77-1504.01 for that year.

(2) Each protest shall be signed and filed with the county clerk of the county where the property is assessed. The protest shall contain or have attached a statement of the reason or reasons why the requested change should be made and a description of the property to which the protest applies. If the property is real property, a description adequate to identify each parcel shall be provided. If the property is tangible personal property, a physical description of the property under protest shall be provided. If the protest does not contain or have attached the
statement of the reason or reasons for the protest or the applicable
description of the property, the protest shall be dismissed by the county
board of equalization.

(3) Beginning January 1, 2014, in counties with a population of at
least one hundred fifty thousand inhabitants according to the most recent
federal decennial census, for a protest regarding real property, each
protester shall be afforded the opportunity to meet in person with the
county board of equalization or a referee appointed under section
77-1502.01 to provide information relevant to the protested property
value.

(4) No hearing of the county board of equalization on a protest
filed under this section shall be held before a single commissioner or
supervisor.

(5) For agricultural land and horticultural land, the county board
of equalization may correct errors in those characteristics affecting the
income-producing capability of such land or may correct the resulting
value of such land. Protests of such characteristics or values shall be
made on a form prescribed by the Tax Commissioner.

(6) The county clerk or county assessor shall prepare a separate
report on each protest. The report shall include (a) a description
adequate to identify the real property or a physical description of the
tangible personal property to which the protest applies, (b) any
recommendation of the county assessor for action on the protest, (c) if a
referee is used, the recommendation of the referee, (d) the date the
county board of equalization heard the protest, (e) the decision made by
the county board of equalization, (f) the date of the decision, and (g)
the date notice of the decision was mailed to the protester. The report
shall contain, or have attached to it, a statement, signed by the
chairperson of the county board of equalization, describing the basis
upon which the board's decision was made. The report shall have attached
to it a copy of that portion of the property record file which
substantiates calculation of the protested value unless the county assessor certifies to the county board of equalization that a copy is maintained in either electronic or paper form in his or her office. One copy of the report, if prepared by the county clerk, shall be given to the county assessor on or before August 2. The county assessor shall have no authority to make a change in the assessment rolls until there is in his or her possession a report which has been completed in the manner specified in this section. If the county assessor deems a report submitted by the county clerk incomplete, the county assessor shall return the same to the county clerk for proper preparation.

(7) On or before August 2, or on or before August 18 in a county that has adopted a resolution to extend the deadline for hearing protests, the county clerk shall mail to the protester written notice of the board's decision. The notice shall contain a statement advising the protester that a report of the board's decision is available at the county clerk's or county assessor's office, whichever is appropriate.

Sec. 19. Section 77-1507.01, Reissue Revised Statutes of Nebraska, is amended to read:

77-1507.01 Any person otherwise having a right to appeal may petition the Tax Equalization and Review Commission in accordance with section 77-5013, on or before December 31 of each year, to determine the actual value or agricultural-use special value of real property for that year if a failure to give notice prevented timely filing of a protest or appeal provided for in sections 77-1501 to 77-1510.

Sec. 20. Section 77-2715.01, Revised Statutes Cumulative Supplement, 2016, is amended to read:

77-2715.01 (1)(a) Commencing in 1987 the Legislature shall set the rates for the income tax imposed by section 77-2715 and the rate of the sales tax imposed by subsection (1) of section 77-2703. For taxable years beginning or deemed to begin before January 1, 2013, the rate of the income tax set by the Legislature shall be considered the primary rate
for establishing the tax rate schedules used to compute the tax.

(b) The Legislature shall set the rates of the sales tax and income tax so that the estimated funds available plus estimated receipts from the sales, use, income, and franchise taxes will be not less than three percent nor more than seven percent in excess of the appropriations and express obligations for the biennium for which the appropriations are made. The purpose of this subdivision is to insure that there shall be maintained in the state treasury an adequate General Fund balance, considering cash flow, to meet the appropriations and express obligations of the state.

(c) For purposes of this section, express obligation shall mean an obligation which has fiscal impact identifiable by a sum certain or by an established percentage or other determinative factor or factors.

(2) The Speaker of the Legislature and the chairpersons of the Legislature's Executive Board, Revenue Committee, and Appropriations Committee shall constitute a committee to be known as the Tax Rate Review Committee. The Tax Rate Review Committee shall meet with the Tax Commissioner within ten days after July 15 and November 15 of each year and shall determine whether the rates for sales tax and income tax should be changed. In making such determination the committee shall recalculate the requirements pursuant to the formula set forth in subsection (1) of this section, taking into consideration the appropriations and express obligations for any session, all miscellaneous claims, deficiency bills, and all emergency appropriations. The committee shall prepare an annual report of its determinations under this section. The committee shall submit such report electronically to the Legislature and shall append the tax expenditure report required under section 77-382 and the revenue volatility report required under section 50-419.02.

In the event it is determined by a majority vote of the committee that the rates must be changed as a result of a regular or special session or as a result of a change in the Internal Revenue Code of 1986
and amendments thereto, other provisions of the laws of the United States
relating to federal income taxes, and the rules and regulations issued
under such laws, the committee shall petition the Governor to call a
special session of the Legislature to make whatever rate changes may be
necessary.

(3) Beginning in November 2019 and each November thereafter until
the step 8 income tax rate reduction provided for in section 77-2715.03
is effective, the Tax Rate Review Committee shall examine the expected
rate of growth in net General Fund receipts from the current fiscal year
to the upcoming fiscal year, as determined by the Nebraska Economic
Forecasting Advisory Board. If the expected rate of growth in net General
Fund receipts is not at least three and one-half percent for the upcoming
fiscal year, the Tax Rate Review Committee shall declare that the next
income tax rate reduction step under section 77-2715.03 that was to begin
for taxable years beginning or deemed to begin on or after the following
January 1 will be deferred. When the Tax Rate Review Committee defers an
income tax rate reduction step, the highest individual income tax rate
established in section 77-2715.03 that was effective for the current year
will remain in place. If the Tax Rate Review Committee defers an income
tax rate reduction step, the Tax Commissioner shall prepare tax tables as
required in section 77-2715.03 and withholding tables as required in
section 77-2753 reflecting no change in rates from the preceding tax
year.

(4) Beginning in November 2019, if the expected rate of growth in
net General Fund receipts, as determined under subsection (3) of this
section, exceeds four percent for the upcoming fiscal year, the Tax Rate
Review Committee shall declare that the corporate income tax rate under
subdivision (1)(d) of section 77-2734.02 for income in excess of one
hundred thousand dollars shall be reduced by two-tenths of one percent
for taxable years beginning or deemed to begin on or after the following
January 1, except that such rate shall not be reduced below 5.99 percent
under this subsection.

(5) If the Tax Rate Review Committee defers an income tax rate reduction step under subsection (3) of this section, the Tax Commissioner and the Legislative Fiscal Analyst shall adjust the forecast provided by the Nebraska Economic Forecasting Advisory Board to reflect the deferral and certify the adjusted forecast to the Governor and the Legislature no later than five days following the meeting of the Tax Rate Review Committee. If the Tax Rate Review Committee declares a corporate income tax rate reduction under subsection (4) of this section, the Tax Commissioner and the Legislative Fiscal Analyst shall adjust the forecast provided by the Nebraska Economic Forecasting Advisory Board to reflect the reduction and certify the adjusted forecast to the Governor and the Legislature no later than five days following the meeting of the Tax Rate Review Committee.

Sec. 21. Section 77-2715.03, Revised Statutes Cumulative Supplement, 2016, is amended to read:

77-2715.03 (1) For taxable years beginning or deemed to begin on or after January 1, 2013, and before January 1, 2014, the following brackets and rates are hereby established for the Nebraska individual income tax:

Individual Income Tax Brackets and Rates

<table>
<thead>
<tr>
<th>Bracket</th>
<th>Single</th>
<th>Married, Jointly</th>
<th>Married, Separately</th>
<th>Estates</th>
<th>Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number</td>
<td>Individuals</td>
<td>Household Filing</td>
<td>and Separate</td>
<td>and Trusts</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>$0-2,399</td>
<td>$0-4,799</td>
<td>$0-4,499</td>
<td>$0-2,399</td>
<td>$0-499</td>
</tr>
<tr>
<td>2</td>
<td>$2,400- $4,800- $4,500- $2,400- $500-</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>$17,499</td>
<td>34,999</td>
<td>27,999</td>
<td>17,499</td>
<td>4,699</td>
</tr>
<tr>
<td>4</td>
<td>$17,500- $35,000- $28,000- $17,500- $4,700-</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>$26,999</td>
<td>53,999</td>
<td>39,999</td>
<td>26,999</td>
<td>15,149</td>
</tr>
<tr>
<td>6</td>
<td>$27,000</td>
<td>$54,000</td>
<td>$40,000</td>
<td>$27,000</td>
<td>$15,150</td>
</tr>
</tbody>
</table>
For taxable years beginning or deemed to begin on or after January 1, 2014, and before January 1, 2019, the following brackets and rates are hereby established for the Nebraska individual income tax:

<table>
<thead>
<tr>
<th>Bracket Number</th>
<th>Single</th>
<th>Married, Head of</th>
<th>Married, Estates</th>
<th>Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$0-2,999</td>
<td>$0-5,999</td>
<td>$0-5,599</td>
<td>2.46%</td>
</tr>
<tr>
<td>2</td>
<td>$3,000-</td>
<td>$6,000-</td>
<td>$5,600-</td>
<td>$3,000-</td>
</tr>
<tr>
<td>3</td>
<td>17,999</td>
<td>35,999</td>
<td>28,799</td>
<td>17,999</td>
</tr>
<tr>
<td>4</td>
<td>$18,000-</td>
<td>$36,000-</td>
<td>$28,800-</td>
<td>$18,000-</td>
</tr>
<tr>
<td>5</td>
<td>28,999</td>
<td>57,999</td>
<td>42,999</td>
<td>28,999</td>
</tr>
<tr>
<td>6</td>
<td>$29,000</td>
<td>$58,000</td>
<td>$43,000</td>
<td>$29,000</td>
</tr>
</tbody>
</table>

For taxable years beginning or deemed to begin on or after January 1, 2019, and before January 1 of the year that the step 1 income tax rate reduction is not deferred, the following brackets and rates are hereby established for the Nebraska individual income tax:

<table>
<thead>
<tr>
<th>Bracket Number</th>
<th>Single</th>
<th>Married, Head of</th>
<th>Married, Estates</th>
<th>Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$0-17,999</td>
<td>$0-35,999</td>
<td>$0-28,799</td>
<td>$0-17,999</td>
</tr>
<tr>
<td>2</td>
<td>$18,000-</td>
<td>$36,000-</td>
<td>$28,800-</td>
<td>$18,000-</td>
</tr>
<tr>
<td>3</td>
<td>28,999</td>
<td>57,999</td>
<td>42,999</td>
<td>28,999</td>
</tr>
<tr>
<td>4</td>
<td>$29,000</td>
<td>$58,000</td>
<td>$43,000</td>
<td>$29,000</td>
</tr>
</tbody>
</table>

(4) Step 1 Income Tax Rate Reduction. For taxable years beginning or deemed to begin on or after the first January 1 after the Tax Rate Review
Committee does not defer the step 1 income tax rate reduction, and before January 1 of the year that the step 2 income tax rate reduction is effective, the following brackets and rates are hereby established for the Nebraska individual income tax:

### Individual Income Tax Brackets and Rates

<table>
<thead>
<tr>
<th>Bracket</th>
<th>Single</th>
<th>Married,</th>
<th>Head of</th>
<th>Married,</th>
<th>Estates</th>
<th>Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number</td>
<td>Individuals Filing Household Filing and Rate</td>
<td>Jointly Separate Trusts</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>$0-17,999</td>
<td>$0-35,999</td>
<td>$0-28,799</td>
<td>$0-17,999</td>
<td>$0-4,699</td>
<td>3.25%</td>
</tr>
<tr>
<td>2</td>
<td>$18,000-</td>
<td>$36,000-</td>
<td>$28,800-</td>
<td>$18,000-</td>
<td>$4,700-</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>$29,000</td>
<td>$58,000</td>
<td>$43,000</td>
<td>$29,000</td>
<td>$15,150</td>
<td></td>
</tr>
<tr>
<td>and Over</td>
<td>and Over</td>
<td>and Over</td>
<td>and Over</td>
<td>and Over</td>
<td>and Over</td>
<td>6.73%</td>
</tr>
</tbody>
</table>

(5) Step 2 Income Tax Rate Reduction. For taxable years beginning or deemed to begin on or after the first January 1 after the Tax Rate Review Committee does not defer the step 2 income tax rate reduction, and before January 1 of the year that the step 3 income tax rate reduction is effective, the following brackets and rates are hereby established for the Nebraska individual income tax:

### Individual Income Tax Brackets and Rates

<table>
<thead>
<tr>
<th>Bracket</th>
<th>Single</th>
<th>Married,</th>
<th>Head of</th>
<th>Married,</th>
<th>Estates</th>
<th>Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number</td>
<td>Individuals Filing Household Filing and Rate</td>
<td>Jointly Separate Trusts</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>$0-17,999</td>
<td>$0-35,999</td>
<td>$0-28,799</td>
<td>$0-17,999</td>
<td>$0-4,699</td>
<td>3.25%</td>
</tr>
<tr>
<td>2</td>
<td>$18,000-</td>
<td>$36,000-</td>
<td>$28,800-</td>
<td>$18,000-</td>
<td>$4,700-</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>$29,000</td>
<td>$58,000</td>
<td>$43,000</td>
<td>$29,000</td>
<td>$15,150</td>
<td></td>
</tr>
<tr>
<td>and Over</td>
<td>and Over</td>
<td>and Over</td>
<td>and Over</td>
<td>and Over</td>
<td>and Over</td>
<td>6.62%</td>
</tr>
</tbody>
</table>

(6) Step 3 Income Tax Rate Reduction. For taxable years beginning or deemed to begin on or after the first January 1 after the Tax Rate Review
Committee does not defer the step 3 income tax rate reduction, and before January 1 of the year that the step 4 income tax rate reduction is effective, the following brackets and rates are hereby established for the Nebraska individual income tax:

<table>
<thead>
<tr>
<th>Bracket Number</th>
<th>Single Number</th>
<th>Married, Individuals</th>
<th>Head of Household Filing</th>
<th>Married, Jointly</th>
<th>Estates Separately Filing</th>
<th>Estates and Trusts</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$0-17,999</td>
<td>$0-35,999</td>
<td>$0-28,799</td>
<td>$0-17,999</td>
<td>$0-4,699</td>
<td>3.25%</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>$18,000-</td>
<td>$36,000-</td>
<td>$28,800-</td>
<td>$18,000-</td>
<td>$4,700-</td>
<td>5.01%</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>$29,000-</td>
<td>$58,000</td>
<td>$43,000</td>
<td>$29,000</td>
<td>$15,150</td>
<td>6.52%</td>
<td></td>
</tr>
</tbody>
</table>

(7) Step 4 Income Tax Rate Reduction. For taxable years beginning or deemed to begin on or after the first January 1 after the Tax Rate Review Committee does not defer the step 4 income tax rate reduction, and before January 1 of the year that the step 5 income tax rate reduction is effective, the following brackets and rates are hereby established for the Nebraska individual income tax:

<table>
<thead>
<tr>
<th>Bracket Number</th>
<th>Single Number</th>
<th>Married, Individuals</th>
<th>Head of Household Filing</th>
<th>Married, Jointly</th>
<th>Estates Separately Filing</th>
<th>Estates and Trusts</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$0-17,999</td>
<td>$0-35,999</td>
<td>$0-28,799</td>
<td>$0-17,999</td>
<td>$0-4,699</td>
<td>3.25%</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>$18,000-</td>
<td>$36,000-</td>
<td>$28,800-</td>
<td>$18,000-</td>
<td>$4,700-</td>
<td>5.01%</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>$29,000-</td>
<td>$58,000</td>
<td>$43,000</td>
<td>$29,000</td>
<td>$15,150</td>
<td>6.41%</td>
<td></td>
</tr>
</tbody>
</table>

(8) Step 5 Income Tax Rate Reduction. For taxable years beginning or deemed to begin on or after the first January 1 after the Tax Rate Review
Committee does not defer the step 5 income tax rate reduction, and before January 1 of the year that the step 6 income tax rate reduction is effective, the following brackets and rates are hereby established for the Nebraska individual income tax:

**Individual Income Tax Brackets and Rates**

<table>
<thead>
<tr>
<th>Bracket Number</th>
<th>Single Individuals Filing</th>
<th>Married, Head of Household Filing</th>
<th>Married, Estates and Separate Trusts</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$0-17,999</td>
<td>$0-35,999</td>
<td>$0-28,799</td>
<td>$0-17,999</td>
</tr>
<tr>
<td>2</td>
<td>$18,000-</td>
<td>$36,000-</td>
<td>$28,800-</td>
<td>$18,000-</td>
</tr>
<tr>
<td></td>
<td>$28,999</td>
<td>$57,999</td>
<td>$42,999</td>
<td>$28,999</td>
</tr>
<tr>
<td>3</td>
<td>$29,000</td>
<td>$58,000</td>
<td>$43,000</td>
<td>$29,000</td>
</tr>
</tbody>
</table>

(9) Step 6 Income Tax Rate Reduction. For taxable years beginning or deemed to begin on or after the first January 1 after the Tax Rate Review Committee does not defer the step 6 income tax rate reduction, and before January 1 of the year that the step 7 income tax rate reduction is effective, the following brackets and rates are hereby established for the Nebraska individual income tax:

**Individual Income Tax Brackets and Rates**

<table>
<thead>
<tr>
<th>Bracket Number</th>
<th>Single Individuals Filing</th>
<th>Married, Head of Household Filing</th>
<th>Married, Estates and Separate Trusts</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$0-17,999</td>
<td>$0-35,999</td>
<td>$0-28,799</td>
<td>$0-17,999</td>
</tr>
<tr>
<td>2</td>
<td>$18,000-</td>
<td>$36,000-</td>
<td>$28,800-</td>
<td>$18,000-</td>
</tr>
<tr>
<td></td>
<td>$28,999</td>
<td>$57,999</td>
<td>$42,999</td>
<td>$28,999</td>
</tr>
<tr>
<td>3</td>
<td>$29,000</td>
<td>$58,000</td>
<td>$43,000</td>
<td>$29,000</td>
</tr>
</tbody>
</table>

(10) Step 7 Income Tax Rate Reduction. For taxable years beginning or deemed to begin on or after the first January 1 after the Tax Rate
Review Committee does not defer the step 7 income tax rate reduction, and before January 1 of the year that the step 8 income tax rate reduction is effective, the following brackets and rates are hereby established for the Nebraska individual income tax:

### Individual Income Tax Brackets and Rates

<table>
<thead>
<tr>
<th>Bracket Number</th>
<th>Single Individuals Filing</th>
<th>Married, Head of Household Filing</th>
<th>Married, Estates and Jointly</th>
<th>Separate Trusts</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$0-17,999</td>
<td>$0-35,999</td>
<td>$0-28,799</td>
<td>$0-17,999</td>
<td>$0-4,699</td>
</tr>
<tr>
<td>2</td>
<td>$18,000-$</td>
<td>$36,000-</td>
<td>$28,800-$</td>
<td>$18,000-$</td>
<td>$4,700-</td>
</tr>
<tr>
<td>3</td>
<td>$29,000</td>
<td>$58,000</td>
<td>$43,000</td>
<td>$29,000</td>
<td>$15,150</td>
</tr>
<tr>
<td>and Over</td>
<td>and Over</td>
<td>and Over</td>
<td>and Over</td>
<td>and Over</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>6.10%</td>
</tr>
</tbody>
</table>

(11) Step 8 Income Tax Rate Reduction. For taxable years beginning or deemed to begin on or after the first January 1 after the Tax Rate Review Committee does not defer the step 8 income tax rate reduction, the following brackets and rates are hereby established for the Nebraska individual income tax:

### Individual Income Tax Brackets and Rates

<table>
<thead>
<tr>
<th>Bracket Number</th>
<th>Single Individuals Filing</th>
<th>Married, Head of Household Filing</th>
<th>Married, Estates and Jointly</th>
<th>Separate Trusts</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$0-17,999</td>
<td>$0-35,999</td>
<td>$0-28,799</td>
<td>$0-17,999</td>
<td>$0-4,699</td>
</tr>
<tr>
<td>2</td>
<td>$18,000-$</td>
<td>$36,000-</td>
<td>$28,800-$</td>
<td>$18,000-$</td>
<td>$4,700-</td>
</tr>
<tr>
<td>3</td>
<td>$29,000</td>
<td>$58,000</td>
<td>$43,000</td>
<td>$29,000</td>
<td>$15,150</td>
</tr>
<tr>
<td>and Over</td>
<td>and Over</td>
<td>and Over</td>
<td>and Over</td>
<td>and Over</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>5.99%</td>
</tr>
</tbody>
</table>

(12) The income tax rate reduction steps provided in subsections (4) through (11) of this section shall take effect in order beginning with the step 1 income tax rate reduction and continuing until the step 8
For taxable years beginning or deemed to begin on or after January 1, 2015, the minimum and maximum dollar amounts for each income tax bracket provided in subsection (2) through (11) of this section shall be adjusted for inflation by the percentage determined under subdivision (13)(b) of this section. The rate applicable to any such income tax bracket shall not be changed as part of any adjustment under this subsection. The minimum and maximum dollar amounts for each income tax bracket as adjusted shall be rounded to the nearest ten-dollar amount. If the adjusted amount for any income tax bracket ends in a five, it shall be rounded up to the nearest ten-dollar amount.

(b) The Tax Commissioner shall adjust the income tax brackets by the percentage determined pursuant to the provisions of section 1(f) of the Internal Revenue Code of 1986, as amended, except that in section 1(f)(3)(B) of the code the year 2013 shall be substituted for the year 1992. For 2015, the Tax Commissioner shall then determine the percent change from the twelve months ending on August 31, 2013, to the twelve months ending on August 31, 2014, and in each subsequent year, from the twelve months ending on August 31, 2013, to the twelve months ending on August 31 of the year preceding the taxable year. The Tax Commissioner shall prescribe new tax rate schedules that apply in lieu of the schedules set forth in subsection (2) through (11) of this section.

(4) Whenever the tax brackets or tax rates are changed by the Legislature, the Tax Commissioner shall update the tax rate schedules to reflect the new tax brackets or tax rates and shall publish such updated schedules.

(5) The Tax Commissioner shall prepare, from the rate schedules, tax tables which can be used by a majority of the taxpayers to determine their Nebraska tax liability. The design of the tax tables shall be determined by the Tax Commissioner. The size of the tax table brackets may change as the level of income changes. The difference in tax
between two tax table brackets shall not exceed fifteen dollars. The Tax
Commissioner may build the personal exemption credit and standard
deduction amounts into the tax tables.

(16) For taxable years beginning or deemed to begin on or after
January 1, 2013, the tax rate applied to other federal taxes included in
the computation of the Nebraska individual income tax shall be 29.6
percent.

(17) The Tax Commissioner may require by rule and regulation
that all taxpayers shall use the tax tables if their income is less than
the maximum income included in the tax tables.

Sec. 22. Section 77-2715.07, Revised Statutes Cumulative Supplement,
2016, is amended to read:

77-2715.07 (1) There shall be allowed to qualified resident
individuals as a nonrefundable credit against the income tax imposed by
the Nebraska Revenue Act of 1967:

(a) A credit equal to the federal credit allowed under section 22 of
the Internal Revenue Code; and

(b) A credit for taxes paid to another state as provided in section
77-2730.

(2) There shall be allowed to qualified resident individuals against
the income tax imposed by the Nebraska Revenue Act of 1967:

(a) For returns filed reporting federal adjusted gross incomes of
greater than twenty-nine thousand dollars, a nonrefundable credit equal
to twenty-five percent of the federal credit allowed under section 21 of
the Internal Revenue Code of 1986, as amended, except that for taxable
years beginning or deemed to begin on or after January 1, 2015, such
nonrefundable credit shall be allowed only if the individual would have
received the federal credit allowed under section 21 of the code after
adding back in any carryforward of a net operating loss that was deducted
pursuant to such section in determining eligibility for the federal
credit;
(b) For returns filed reporting federal adjusted gross income of twenty-nine thousand dollars or less, a refundable credit equal to a percentage of the federal credit allowable under section 21 of the Internal Revenue Code of 1986, as amended, whether or not the federal credit was limited by the federal tax liability. The percentage of the federal credit shall be one hundred percent for incomes not greater than twenty-two thousand dollars, and the percentage shall be reduced by ten percent for each one thousand dollars, or fraction thereof, by which the reported federal adjusted gross income exceeds twenty-two thousand dollars, except that for taxable years beginning or deemed to begin on or after January 1, 2015, such refundable credit shall be allowed only if the individual would have received the federal credit allowed under section 21 of the code after adding back in any carryforward of a net operating loss that was deducted pursuant to such section in determining eligibility for the federal credit;

(c) A refundable credit as provided in section 77-5209.01 for individuals who qualify for an income tax credit as a qualified beginning farmer or livestock producer under the Beginning Farmer Tax Credit Act for all taxable years beginning or deemed to begin on or after January 1, 2006, under the Internal Revenue Code of 1986, as amended;

(d) A refundable credit for individuals who qualify for an income tax credit under the Angel Investment Tax Credit Act, the Nebraska Advantage Microenterprise Tax Credit Act, the Nebraska Advantage Research and Development Act, or the Volunteer Emergency Responders Incentive Act; and

(e)(i) (e) A refundable credit equal to:

(A) Ten percent of the federal credit allowed under section 32 of the Internal Revenue Code of 1986, as amended, for taxable years beginning or deemed to begin before January 1, 2019;

(B) Eleven percent of the federal credit allowed under section 32 of the Internal Revenue Code of 1986, as amended, for taxable years
beginning or deemed to begin on or after January 1, 2019, and before January 1, 2020; and

(C) Twelve percent of the federal credit allowed under section 32 of the Internal Revenue Code of 1986, as amended, for taxable years beginning or deemed to begin on or after January 1, 2020.

(ii) For taxable years beginning or deemed to begin on or after January 1, 2015, the such refundable credit provided in subdivision (2)(e)(i) of this section shall be allowed only if the individual would have received the federal credit allowed under section 32 of the code after adding back in any carryforward of a net operating loss that was deducted pursuant to such section in determining eligibility for the federal credit.

(3) There shall be allowed to all individuals as a nonrefundable credit against the income tax imposed by the Nebraska Revenue Act of 1967:

(a) A credit for personal exemptions allowed under section 77-2716.01;

(b) A credit for contributions to certified community betterment programs as provided in the Community Development Assistance Act. Each partner, each shareholder of an electing subchapter S corporation, each beneficiary of an estate or trust, or each member of a limited liability company shall report his or her share of the credit in the same manner and proportion as he or she reports the partnership, subchapter S corporation, estate, trust, or limited liability company income;

(c) A credit for investment in a biodiesel facility as provided in section 77-27,236;

(d) A credit as provided in the New Markets Job Growth Investment Act;

(e) A credit as provided in the Nebraska Job Creation and Mainstreet Revitalization Act;

(f) A credit to employers as provided in section 77-27,238; and
(g) A credit as provided in the Affordable Housing Tax Credit Act.

(4) There shall be allowed as a credit against the income tax imposed by the Nebraska Revenue Act of 1967:

(a) A credit to all resident estates and trusts for taxes paid to another state as provided in section 77-2730;

(b) A credit to all estates and trusts for contributions to certified community betterment programs as provided in the Community Development Assistance Act; and

(c) A refundable credit for individuals who qualify for an income tax credit as an owner of agricultural assets under the Beginning Farmer Tax Credit Act for all taxable years beginning or deemed to begin on or after January 1, 2009, under the Internal Revenue Code of 1986, as amended. The credit allowed for each partner, shareholder, member, or beneficiary of a partnership, corporation, limited liability company, or estate or trust qualifying for an income tax credit as an owner of agricultural assets under the Beginning Farmer Tax Credit Act shall be equal to the partner's, shareholder's, member's, or beneficiary's portion of the amount of tax credit distributed pursuant to subsection (4) of section 77-5211.

(5)(a) For all taxable years beginning on or after January 1, 2007, and before January 1, 2009, under the Internal Revenue Code of 1986, as amended, there shall be allowed to each partner, shareholder, member, or beneficiary of a partnership, subchapter S corporation, limited liability company, or estate or trust a nonrefundable credit against the income tax imposed by the Nebraska Revenue Act of 1967 equal to fifty percent of the partner's, shareholder's, member's, or beneficiary's portion of the amount of franchise tax paid to the state under sections 77-3801 to 77-3807 by a financial institution.

(b) For all taxable years beginning on or after January 1, 2009, under the Internal Revenue Code of 1986, as amended, there shall be allowed to each partner, shareholder, member, or beneficiary of a
partnership, subchapter S corporation, limited liability company, or
estate or trust a nonrefundable credit against the income tax imposed by
the Nebraska Revenue Act of 1967 equal to the partner's, shareholder's,
member's, or beneficiary's portion of the amount of franchise tax paid to
the state under sections 77-3801 to 77-3807 by a financial institution.

(c) Each partner, shareholder, member, or beneficiary shall report
his or her share of the credit in the same manner and proportion as he or
she reports the partnership, subchapter S corporation, limited liability
company, or estate or trust income. If any partner, shareholder, member,
or beneficiary cannot fully utilize the credit for that year, the credit
may not be carried forward or back.

(6) There shall be allowed to all individuals nonrefundable credits
against the income tax imposed by the Nebraska Revenue Act of 1967 as
provided in section 77-3604 and refundable credits against the income tax
imposed by the Nebraska Revenue Act of 1967 as provided in section
77-3605.

(7) For taxable years beginning or deemed to begin on or after
January 1, 2019, under the Internal Revenue Code of 1986, as amended,
there shall be allowed to qualified resident individuals a nonrefundable
credit against the income tax imposed by the Nebraska Revenue Act of 1967
as follows:

(a) For individuals whose filing status is married filing jointly
and whose federal adjusted gross income does not exceed twenty-eight
thousand dollars, the nonrefundable credit shall be equal to forty
dollars; and

(b) For individuals with any other filing status whose federal
adjusted gross income does not exceed fourteen thousand dollars, the
nonrefundable credit shall be equal to twenty dollars.

Sec. 23. Section 77-2716.01, Reissue Revised Statutes of Nebraska,
is amended to read:

77-2716.01 (1) Except as provided in subsection (2) of this section,
Every individual shall be allowed to subtract from his or her income tax liability an amount for personal exemptions. The amount allowed to be subtracted shall be the credit amount for the year as provided in this section multiplied by the number of exemptions allowed on the federal return. For tax year 1993, the credit amount shall be sixty-five dollars; for tax year 1994, the credit amount shall be sixty-nine dollars; for tax year 1995, the credit amount shall be sixty-nine dollars; for tax year 1996, the credit amount shall be seventy-two dollars; for tax year 1997, the credit amount shall be eighty-six dollars; for tax year 1998, the credit amount shall be eighty-eight dollars; for tax year 1999, and each year thereafter, the credit amount shall be adjusted for inflation by the method provided in section 151 of the Internal Revenue Code of 1986, as amended. The eighty-eight-dollar credit amount shall be adjusted for cumulative inflation since 1998. If any credit amount is not an even dollar amount, the amount shall be rounded to the nearest dollar. For nonresident individuals and partial-year resident individuals, the personal exemption credit shall be subtracted as specified in subsection (3) of section 77-2715.

(2) For tax years beginning or deemed to begin on or after January 1, 2019, the amount of personal exemptions that would otherwise be available under this section shall be reduced as follows:

(a) For taxpayers with a filing status of married filing jointly, the personal exemption credits shall be reduced by:

(i) Ten percent if federal adjusted gross income is at least three hundred thousand dollars but less than three hundred twenty thousand dollars;

(ii) Twenty percent if federal adjusted gross income is at least three hundred twenty thousand dollars but less than three hundred forty thousand dollars;

(iii) Thirty percent if federal adjusted gross income is at least three hundred forty thousand dollars but less than three hundred sixty thousand dollars.
thousand dollars;

    (iv) Fifty percent if federal adjusted gross income is at least
three hundred sixty thousand dollars but less than three hundred eighty
thousand dollars;

    (v) Seventy-five percent if federal adjusted gross income is at
least three hundred eighty thousand dollars but less than four hundred
thousand dollars; or

    (vi) One hundred percent if federal adjusted gross income is four
hundred thousand dollars or more; and

(b) For taxpayers with any other filing status, the personal
exemption credits shall be reduced by:

    (i) Ten percent if federal adjusted gross income is at least one
hundred fifty thousand dollars but less than one hundred sixty thousand
dollars;

    (ii) Twenty percent if federal adjusted gross income is at least one
hundred sixty thousand dollars but less than one hundred seventy thousand
dollars;

    (iii) Thirty percent if federal adjusted gross income is at least
one hundred seventy thousand dollars but less than one hundred eighty
thousand dollars;

    (iv) Fifty percent if federal adjusted gross income is at least one
hundred eighty thousand dollars but less than one hundred ninety thousand
dollars;

    (v) Seventy-five percent if federal adjusted gross income is at
least one hundred ninety thousand dollars but less than two hundred
thousand dollars; or

    (vi) One hundred percent if federal adjusted gross income is two
hundred thousand dollars or more.

(3)(a) (2)(a) For tax years beginning or deemed to begin on or after
January 1, 2003, and before January 1, 2004, under the Internal Revenue
Code of 1986, as amended, every individual who did not itemize deductions
on his or her federal return shall be allowed to subtract from federal
adjusted gross income a standard deduction based on the filing status
used on the federal return except as the amount is adjusted under section
77-2716.03. The standard deduction shall be the smaller of the federal
standard deduction actually allowed or (i) for single taxpayers four
thousand seven hundred fifty dollars, (ii) for head of household
taxpayers seven thousand dollars, (iii) for married filing jointly
taxpayers seven thousand nine hundred fifty dollars, and (iv) for married
filing separately taxpayers three thousand nine hundred seventy-five
dollars. Taxpayers who are allowed additional federal standard deduction
amounts because of age or blindness shall be allowed an increase in the
Nebraska standard deduction for each additional amount allowed on the
federal return. The additional amounts shall be for married taxpayers,
nine hundred fifty dollars, and for single or head of household
taxpayers, one thousand one hundred fifty dollars.

(b) For tax years beginning or deemed to begin on or after January
1, 2007, under the Internal Revenue Code of 1986, as amended, every
individual who did not itemize deductions on his or her federal return
shall be allowed to subtract from federal adjusted gross income a
standard deduction based on the filing status used on the federal return.
The standard deduction shall be the smaller of the federal standard
deduction actually allowed or (i) for single taxpayers three thousand
dollars and (ii) for head of household taxpayers four thousand four
hundred dollars. The standard deduction for married filing jointly
taxpayers shall be double the standard deduction for single taxpayers,
and for married filing separately taxpayers, the standard deduction shall
be the same as single taxpayers. Taxpayers who are allowed additional
federal standard deduction amounts because of age or blindness shall be
allowed an increase in the Nebraska standard deduction for each
additional amount allowed on the federal return. The additional amounts
shall be for married taxpayers six hundred dollars and for single or head
of household taxpayers seven hundred fifty dollars. The amounts in this subdivision will be indexed using 1987 as the base year.

(c) For tax years beginning or deemed to begin on or after January 1, 2007, the standard deduction amounts, including the additional standard deduction amounts, in this subsection shall be adjusted for inflation by the method provided in section 151 of the Internal Revenue Code of 1986, as amended. If any amount is not a multiple of fifty dollars, the amount shall be rounded to the next lowest multiple of fifty dollars.

(4) Every individual who itemized deductions on his or her federal return shall be allowed to subtract from federal adjusted gross income the greater of either the standard deduction allowed in subsection (3) of this section or his or her federal itemized deductions, except for the amount for state or local income taxes included in federal itemized deductions before any federal disallowance.

Sec. 24. Section 77-2734.02, Revised Statutes Cumulative Supplement, 2016, is amended to read:

77-2734.02 (1) Except as provided in subsection (2) of this section, a tax is hereby imposed on the taxable income of every corporate taxpayer that is doing business in this state:

(a) For taxable years beginning or deemed to begin before January 1, 2013, at a rate equal to one hundred fifty and eight-tenths percent of the primary rate imposed on individuals under section 77-2701.01 on the first one hundred thousand dollars of taxable income and at the rate of two hundred eleven percent of such rate on all taxable income in excess of one hundred thousand dollars. The resultant rates shall be rounded to the nearest one hundredth of one percent; and

(b) For taxable years beginning or deemed to begin on or after January 1, 2013, and before January 1, 2019, at a rate equal to 5.58 percent on the first one hundred thousand dollars of taxable income and at the rate of 7.81 percent on all taxable income in excess of one
(c) For taxable years beginning or deemed to begin on or after January 1, 2019, and before January 1, 2020, at a rate equal to 5.58 percent on the first one hundred thousand dollars of taxable income and at the rate of 7.59 percent on all taxable income in excess of one hundred thousand dollars; and

(d) For taxable years beginning or deemed to begin on or after January 1, 2020, at a rate equal to 5.58 percent on the first one hundred thousand dollars of taxable income and at the committee-adjusted rate on all taxable income in excess of one hundred thousand dollars. For purposes of this subdivision, committee-adjusted rate means a rate of 7.59 percent minus 0.20 percent for each time that the Tax Rate Review Committee has declared a corporate income tax rate reduction under subsection (4) of section 77-2715.01. The committee-adjusted rate shall not be decreased below 5.99 percent for any taxable year.

For corporate taxpayers with a fiscal year that does not coincide with the calendar year, the individual rate used for this subsection shall be the rate in effect on the first day, or the day deemed to be the first day, of the taxable year.

(2) An insurance company shall be subject to taxation at the lesser of the rate described in subsection (1) of this section or the rate of tax imposed by the state or country in which the insurance company is domiciled if the insurance company can establish to the satisfaction of the Tax Commissioner that it is domiciled in a state or country other than Nebraska that imposes on Nebraska domiciled insurance companies a retaliatory tax against the tax described in subsection (1) of this section.

(3) For a corporate taxpayer that is subject to tax in another state, its taxable income shall be the portion of the taxpayer's federal taxable income, as adjusted, that is determined to be connected with the taxpayer's operations in this state pursuant to sections 77-2734.05 to
(4) Each corporate taxpayer shall file only one income tax return for each taxable year.

Sec. 25. Section 77-27,159, Reissue Revised Statutes of Nebraska, is amended to read:

77-27,159 The Legislative Fiscal Analyst and the Department of Revenue shall provide such staff support as the Nebraska Economic Forecasting Advisory Board may require. The Legislative Fiscal Analyst, in developing revenue estimates pursuant to section 50-419, and the Department of Revenue, in developing revenue estimates for the Governor pursuant to section 81-125, shall (1) consider the estimates of economic activity and the advisory forecast of General Fund receipts developed by the board pursuant to section 77-27,158 and (2) assume that the next income tax rate reduction steps which could occur under section 77-2715.03 will occur in each of the tax years that make up the forecast.

Sec. 26. Section 77-2912, Revised Statutes Cumulative Supplement, 2016, is amended to read:

77-2912 (1) There shall be no new applications filed under the Nebraska Job Creation and Mainstreet Revitalization Act after December 31, 2022. All applications and all credits pending or approved before such date shall continue in full force and effect, except that no credits shall be allocated under section 77-2905, issued under section 77-2906, or used on any tax return or similar filing after December 31, 2027.

(2) Effective July 1, 2017, through December 31, 2022, no new applications shall be filed under the Nebraska Job Creation and Mainstreet Revitalization Act.

Sec. 27. Section 77-4212, Revised Statutes Cumulative Supplement, 2016, is amended to read:

77-4212 (1) For tax year 2007, the amount of relief granted under the Property Tax Credit Act shall be one hundred five million dollars. For tax year 2008, the amount of relief granted under the act shall be
one hundred fifteen million dollars. It is the intent of the Legislature
to fund the Property Tax Credit Act for tax years after tax year 2008
using available revenue. For tax year 2017, the amount of relief granted
under the act shall be two hundred twenty-four million dollars. The
relief shall be in the form of a property tax credit which appears on the
property tax statement.

(2)(a) For tax years prior to tax year 2017, to determine the amount
of the property tax credit, the county treasurer shall multiply the
amount disbursed to the county under subdivision (4)(a) of this section
by the ratio of the real property valuation of the parcel to the total
real property valuation in the county. The amount determined shall be the
property tax credit for the property.

(b) Beginning with tax year 2017, to determine the amount of the
property tax credit, the county treasurer shall multiply the amount
disbursed to the county under subdivision (4)(b) of this section by the
ratio of the credit allocation valuation of the parcel to the total
credit allocation valuation in the county. The amount determined shall be the
property tax credit for the property.

(3) If the real property owner qualifies for a homestead exemption
under sections 77-3501 to 77-3529, the owner shall also be qualified for
the relief provided in the act to the extent of any remaining liability
after calculation of the relief provided by the homestead exemption. If
the credit results in a property tax liability on the homestead that is
less than zero, the amount of the credit which cannot be used by the
taxpayer shall be returned to the State Treasurer by July 1 of the year
the amount disbursed to the county was disbursed. The State Treasurer
shall immediately credit any funds returned under this section to the
Property Tax Credit Cash Fund.

(4)(a) For tax years prior to tax year 2017, the amount disbursed to
each county shall be equal to the amount available for disbursement
determined under subsection (1) of this section multiplied by the ratio
of the real property valuation in the county to the real property
valuation in the state. By September 15, the Property Tax Administrator
shall determine the amount to be disbursed under this subdivision to each
county and certify such amounts to the State Treasurer and to each
county. The disbursements to the counties shall occur in two equal
payments, the first on or before January 31 and the second on or before
April 1. After retaining one percent of the receipts for costs, the
county treasurer shall allocate the remaining receipts to each taxing
unit levying taxes on taxable property in the tax district in which the
real property is located in the same proportion that the levy of such
taxing unit bears to the total levy on taxable property of all the taxing
units in the tax district in which the real property is located.

(b) Beginning with tax year 2017, the amount disbursed to each
county shall be equal to the amount available for disbursement determined
under subsection (1) of this section multiplied by the ratio of the
credit allocation valuation in the county to the credit allocation
valuation in the state. By September 15, the Property Tax Administrator
shall determine the amount to be disbursed under this subdivision to each
county and certify such amounts to the State Treasurer and to each
county. The disbursements to the counties shall occur in two equal
payments, the first on or before January 31 and the second on or before
April 1. After retaining one percent of the receipts for costs, the
county treasurer shall allocate the remaining receipts to each taxing
unit based on its share of the credits granted to all taxpayers in the
taxing unit.

(5) For purposes of this section, credit allocation valuation means
the taxable value for all real property except agricultural land and
horticultural land, and one hundred twenty percent of taxable value for
agricultural land and horticultural land that is not subject to special
valuation, and one hundred twenty percent of taxable value for
agricultural land and horticultural land that is subject to special
valuation.

(6) The State Treasurer shall transfer from the General Fund to the Property Tax Credit Cash Fund one hundred five million dollars by August 1, 2007, and one hundred fifteen million dollars by August 1, 2008.

(7) The Legislature shall have the power to transfer funds from the Property Tax Credit Cash Fund to the General Fund.

Sec. 28. Section 77-5007, Revised Statutes Cumulative Supplement, 2016, is amended to read:

77-5007 The commission has the power and duty to hear and determine appeals of:

(1) Decisions of any county board of equalization equalizing the value of individual tracts, lots, or parcels of real property so that all real property is assessed uniformly and proportionately;

(2) Decisions of any county board of equalization granting or denying tax-exempt status for real or personal property or an exemption from motor vehicle taxes and fees;

(3) Decisions of the Tax Commissioner determining the taxable property of a railroad company, car company, public service entity, or air carrier within the state;

(4) Decisions of the Tax Commissioner determining adjusted valuation pursuant to section 79-1016;

(5) Decisions of any county board of equalization on the valuation of personal property or any penalties imposed under sections 77-1233.04 and 77-1233.06;

(6) Decisions of any county board of equalization on claims that a levy is or is not for an unlawful or unnecessary purpose or in excess of the requirements of the county;

(7) Decisions of any county board of equalization granting or rejecting an application for a homestead exemption;

(8) Decisions of the Department of Motor Vehicles determining the taxable value of motor vehicles pursuant to section 60-3,188;
(9) Decisions of the Tax Commissioner made under section 77-1330;

(10) Any other decision of any county board of equalization;

(11) Any other decision of the Tax Commissioner regarding property valuation, exemption, or taxation;

(12) Decisions of the Tax Commissioner pursuant to section 77-3520;

(13) Final decisions of a county board of equalization appealed by the Tax Commissioner or Property Tax Administrator pursuant to section 77-701;

(14) Determinations of the Rent-Restricted Housing Projects Valuation Committee regarding the capitalization rate to be used to value rent-restricted housing projects pursuant to section 77-1333 or the requirement under such section that an income-approach calculation be used by county assessors to value rent-restricted housing projects;

(15) The requirement under section 77-1314 that the income approach, including the use of a discounted cash-flow analysis, be used by county assessors; and

(16) Decisions of the Tax Commissioner pursuant to section 8 of this act; and

(17) Any other decision, determination, action, or order from which an appeal to the commission is authorized.

The commission has the power and duty to hear and grant or deny relief on petitions.

Sec. 29. Section 77-5022, Revised Statutes Cumulative Supplement, 2016, is amended to read:

77-5022 The commission shall annually equalize the assessed value or special value of all residential and commercial real property as submitted by the county assessors on the abstracts of assessments and equalize the values of real property that is valued by the state. The commission shall have the power to recess from time to time until the equalization process is complete. Meetings held pursuant to this section may be held by means of videoconference or telephone conference.
Sec. 30. Section 77-5023, Reissue Revised Statutes of Nebraska, is amended to read:

77-5023 (1) Pursuant to section 77-5022, the commission shall have the power to increase or decrease the value of a class or subclass of residential or commercial real property in any county or taxing authority or of real property valued by the state so that all classes or subclasses of real property in all counties fall within an acceptable range.

(2) An acceptable range is the percentage of variation from a standard for valuation as measured by an established indicator of central tendency of assessment. The acceptable range Acceptable ranges are: (a) For agricultural land and horticultural land as defined in section 77-1359, sixty-nine to seventy-five percent of actual value; (b) for lands receiving special valuation, sixty-nine to seventy-five percent of special valuation as defined in section 77-1343; and (c) for all residential and commercial other real property, is ninety-two to one hundred percent of actual value.

(3) Any increase or decrease shall cause the level of value determined by the commission to be at the midpoint of the applicable acceptable range.

(4) Any decrease or increase to a subclass of property shall also cause the level of value determined by the commission for the class from which the subclass is drawn to be within the applicable acceptable range.

(5) Whether or not the level of value determined by the commission falls within the an acceptable range or at the midpoint of the an acceptable range may be determined to a reasonable degree of certainty relying upon generally accepted mass appraisal techniques.

Sec. 31. Section 79-1016, Reissue Revised Statutes of Nebraska, is amended to read:

79-1016 (1) On or before August 25, the county assessor shall certify to the Property Tax Administrator the total taxable value by school district in the county for the current assessment year on forms
prescribed by the Tax Commissioner. The county assessor may amend the filing for changes made to the taxable valuation of the school district in the county if corrections or errors on the original certification are discovered. Amendments shall be certified to the Property Tax Administrator on or before September 30.

(2) On or before October 10, the Property Tax Administrator shall compute and certify to the State Department of Education the adjusted valuation for the current assessment year for each class of property in each school district and each local system. The adjusted valuation of property for each school district and each local system, for purposes of determining state aid pursuant to the Tax Equity and Educational Opportunities Support Act, shall reflect as nearly as possible state aid value as defined in subsection (3) of this section. The Property Tax Administrator shall notify each school district and each local system of its adjusted valuation for the current assessment year by class of property on or before October 10. Establishment of the adjusted valuation shall be based on the taxable value certified by the county assessor for each school district in the county adjusted by the determination of the level of value for each school district from an analysis of the comprehensive assessment ratio study or other studies developed by the Property Tax Administrator, in compliance with professionally accepted mass appraisal techniques, as required by section 77-1327. The Tax Commissioner shall adopt and promulgate rules and regulations setting forth standards for the determination of level of value for state aid purposes.

(3) For purposes of this section, state aid value means:

(a) For real property other than agricultural land and horticultural land, ninety-six percent of actual value;

(b) For agricultural land and horticultural land, the agricultural-use seventy-two percent of actual value as provided in the Agricultural Valuation Fairness Act sections 77-1359 to 77-1363. For agricultural and
horticultural land that receives special valuation pursuant to section 77-1344, seventy-two percent of special valuation as defined in section 77-1343; and

(c) For personal property, the net book value as defined in section 77-120.

(4) On or before November 10, any local system may file with the Tax Commissioner written objections to the adjusted valuations prepared by the Property Tax Administrator, stating the reasons why such adjusted valuations are not the valuations required by subsection (3) of this section. The Tax Commissioner shall fix a time for a hearing. Either party shall be permitted to introduce any evidence in reference thereto. On or before January 1, the Tax Commissioner shall enter a written order modifying or declining to modify, in whole or in part, the adjusted valuations and shall certify the order to the State Department of Education. Modification by the Tax Commissioner shall be based upon the evidence introduced at hearing and shall not be limited to the modification requested in the written objections or at hearing. A copy of the written order shall be mailed to the local system within seven days after the date of the order. The written order of the Tax Commissioner may be appealed within thirty days after the date of the order to the Tax Equalization and Review Commission in accordance with section 77-5013.

(5) On or before November 10, any local system or county official may file with the Tax Commissioner a written request for a nonappealable correction of the adjusted valuation due to clerical error as defined in section 77-128 or, for agricultural and horticultural land, assessed value changes by reason of land qualified or disqualified for special use valuation pursuant to sections 77-1343 to 77-1347.01. On or before the following January 1, the Tax Commissioner shall approve or deny the request and, if approved, certify the corrected adjusted valuations resulting from such action to the State Department of Education.

(6) On or before May 31 of the year following the certification of
adjusted valuation pursuant to subsection (2) of this section, any local
system or county official may file with the Tax Commissioner a written
request for a nonappealable correction of the adjusted valuation due to
changes to the tax list that change the assessed value of taxable
property. Upon the filing of the written request, the Tax Commissioner
shall require the county assessor to recertify the taxable valuation by
school district in the county on forms prescribed by the Tax
Commissioner. The recertified valuation shall be the valuation that was
certified on the tax list, pursuant to section 77-1613, increased or
decreased by changes to the tax list that change the assessed value of
taxable property in the school district in the county in the prior
assessment year. On or before the following July 31, the Tax Commissioner
shall approve or deny the request and, if approved, certify the corrected
adjusted valuations resulting from such action to the State Department of
Education.

(7) No injunction shall be granted restraining the distribution of
state aid based upon the adjusted valuations pursuant to this section.

(8) A school district whose state aid is to be calculated pursuant
to subsection (5) of this section and whose state aid payment is
postponed as a result of failure to calculate state aid pursuant to such
subsection may apply to the state board for lump-sum payment of such
postponed state aid. Such application may be for any amount up to one
hundred percent of the postponed state aid. The state board may grant the
entire amount applied for or any portion of such amount. The state board
shall notify the Director of Administrative Services of the amount of
funds to be paid in a lump sum and the reduced amount of the monthly
payments. The Director of Administrative Services shall, at the time of
the next state aid payment made pursuant to section 79-1022, draw a
warrant for the lump-sum amount from appropriated funds and forward such
warrant to the district.

Sec. 32. Section 79-1036, Revised Statutes Cumulative Supplement,
2016, is amended to read:

79-1036 (1) In making the apportionment under section 79-1035, the
Commissioner of Education shall distribute from the school fund for
school purposes to (a) for school fiscal years prior to school fiscal
year 2017-18, any and all learning communities and school districts which
are not members of a learning community, and (b) for school fiscal year
2017-18 and each school fiscal year thereafter, all school districts in
which there are situated school lands which have not been sold and
transferred by deed or saline lands owned by the state, which lands are
being used for a public purpose, an amount in lieu of tax money that
would be raised by school district levies if such lands were taxable, to
be ascertained in accordance with subsection (2) of this section, except
that:

(i) For Class I districts or portions thereof which are affiliated
and in which there are situated school or saline lands, 38.6207 percent
of the in lieu of land tax money calculated pursuant to subsection (2) of
this section, based on the affiliated school system tax levy computed
pursuant to section 79-1077, shall be distributed to the affiliated high
school district and the remainder shall be distributed to the Class I
district;

(ii) For Class I districts or portions thereof which are part of a
Class VI district which offers instruction in grades nine through twelve
and in which there are situated school or saline lands, 38.6207 percent
of the in lieu of land tax money calculated pursuant to subsection (2) of
this section, based on the Class VI school system levy computed pursuant
to section 79-1078, shall be distributed to the Class VI district and the
remainder shall be distributed to the Class I district;

(iii) For Class I districts or portions thereof which are part of a
Class VI district which offers instruction in grades seven through twelve
and in which there are situated school or saline lands, 55.1724 percent
of the in lieu of land tax money calculated pursuant to subsection (2) of
this section, based on the Class VI school system levy computed pursuant
to section 79-1078, shall be distributed to the Class VI district and the
remainder shall be distributed to the Class I district; and

(iv) For Class I districts or portions thereof which are part of a
Class VI district which offers instruction in grades six through twelve
and in which there are situated school or saline lands, 62.0690 percent
of the in lieu of land tax money calculated pursuant to subsection (2) of
this section, based on the Class VI school system levy computed pursuant
to section 79-1078, shall be distributed to the Class VI district and the
remainder shall be distributed to the Class I district.

(2) The county assessor shall certify to the Commissioner of
Education the tax levies of each school district and, for levies
certified prior to January 1, 2017, learning community in which school
land or saline land is located and the last appraised value of such
school land, which value shall be the agricultural-use same percentage of
the appraised value as the percentage of the assessed value is of market
value described in subsection (2) of section 77-201 for the purpose of
applying the applicable tax levies for each district and, for levies
certified prior to January 1, 2017, learning community in determining the
distribution to the districts of such amounts. The school board of any
school district and, for levies certified prior to January 1, 2017, the
learning community coordinating council of any learning community in
which there is located any leased or undeeded school land or saline land
subject to this section may appeal to the Board of Educational Lands and
Funds for a reappraisement of such school land if such school board or
learning community coordinating council deems the land not appraised in
proportion to the value of adjoining land of the same or similar value.
The Board of Educational Lands and Funds shall proceed to investigate the
facts involved in such appeal and, if the contention of the school board
or learning community coordinating council is correct, make the proper
reappraisement. The value calculation in this subsection shall be used by
the Commissioner of Education for making distributions in each school
fiscal year.

Sec. 33. Sections 10, 11, 12, 13, 14, 16, 17, 18, 19, 27, 28, 29,
30, 31, 32, 35, and 36 of this act become operative on January 1, 2018.
The other sections of this act become operative on their effective date.

Sec. 34. Original sections 77-2716.01 and 77-27,159, Reissue
Revised Statutes of Nebraska, and sections 77-1116, 77-2715.01,
77-2715.03, 77-2715.07, 77-2734.02, and 77-2912, Revised Statutes
Cumulative Supplement, 2016, are repealed.

Sec. 35. Original sections 19-2428, 46-294.03, 77-103.01,
77-1507.01, 77-5023, and 79-1016, Reissue Revised Statutes of Nebraska,
and sections 76-710.04, 77-201, 77-1327, 77-1371, 77-1502, 77-4212,
77-5007, 77-5022, and 79-1036, Revised Statutes Cumulative Supplement,
2016, are repealed.

Sec. 36. The following sections are outright repealed: Sections
77-1343, 77-1344, 77-1345, 77-1345.01, 77-1346, and 77-1347.01, Reissue
Revised Statutes of Nebraska, and sections 77-1347, 77-1359, and 77-1363,
Revised Statutes Cumulative Supplement, 2016.

Sec. 37. Since an emergency exists, this act takes effect when
passed and approved according to law.