

LEGISLATURE OF NEBRASKA
ONE HUNDRED SEVENTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 693

Introduced by Blood, 3.

Read first time January 05, 2022

Committee: Revenue

- 1 A BILL FOR AN ACT relating to revenue and taxation; to amend sections
- 2 60-3,184, 60-3,185, 60-3,189, 60-3,190, 77-202.23, and 77-202.24,
- 3 Reissue Revised Statutes of Nebraska; to define and redefine terms;
- 4 to change provisions relating to motor vehicle tax exemptions, motor
- 5 vehicle fee exemptions, and property tax exemptions for certain
- 6 veterans; to harmonize provisions; to provide an operative date; and
- 7 to repeal the original sections.
- 8 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 60-3,184, Reissue Revised Statutes of Nebraska,
2 is amended to read:

3 60-3,184 For purposes of sections 60-3,184 to 60-3,190:

4 (1) Automobile means passenger cars, trucks, utility vehicles, and
5 vans up to and including seven tons;

6 (2) Blind veteran has the same meaning as in section 77-202.23;

7 (3) Disability rating has the same meaning as in section 77-202.23;

8 (4) Disabled veteran has the same meaning as in section 77-202.23;

9 (5) (2) Motor vehicle means every motor vehicle, trailer, and
10 semitrailer subject to the payment of registration fees or permit fees
11 under the laws of this state;

12 (6) (3) Motor vehicle fee means the fee imposed upon motor vehicles
13 under section 60-3,190;

14 (7) (4) Motor vehicle tax means the tax imposed upon motor vehicles
15 under section 60-3,185; and

16 (8) (5) Registration period means the period from the date of
17 registration pursuant to section 60-392 to the first day of the month
18 following one year after such date.

19 Sec. 2. Section 60-3,185, Reissue Revised Statutes of Nebraska, is
20 amended to read:

21 60-3,185 A motor vehicle tax is imposed on motor vehicles registered
22 for operation upon the highways of this state, except:

23 (1) Motor vehicles exempt from the registration fee in section
24 60-3,160;

25 (2) One motor vehicle owned and used for his or her personal
26 transportation by a ~~disabled or~~ blind veteran of the United States Armed
27 Forces ~~as defined in section 77-202.23~~ whose ~~disability or~~ blindness is
28 recognized by the United States Department of Veterans Affairs and who
29 was discharged or otherwise separated with a characterization of
30 honorable if an application for the exemption has been approved under
31 subsection (1) of section 60-3,189;

1 (3) Motor vehicles owned by Indians who are members of an Indian
2 tribe;

3 (4) Motor vehicles owned by a member of the United States Armed
4 Forces serving in this state in compliance with military or naval orders
5 or his or her spouse if such servicemember or spouse is a resident of a
6 state other than Nebraska;

7 (5) Motor vehicles owned by the state and its governmental
8 subdivisions and exempt as provided in subdivision (1)(a) or (b) of
9 section 77-202;

10 (6) Motor vehicles owned and used exclusively by an organization or
11 society qualified for a tax exemption provided in subdivision (1)(c) or
12 (d) of section 77-202 if an application for the exemption provided in
13 this subdivision has been approved under subsection (2) of section
14 60-3,189; ~~and~~

15 (7) Trucks, trailers, or combinations thereof registered under
16 section 60-3,198; ~~and~~ -

17 (8) One motor vehicle owned and used for his or her personal
18 transportation by a disabled veteran whose disability rating is at least
19 ten percent if an application for the exemption has been approved under
20 subsection (1) of section 60-3,189. The exemption provided in this
21 subdivision shall be based on the veteran's disability rating as follows:

22 (a) If the disability rating is at least ten percent but not more
23 than twenty-five percent, then the motor vehicle tax that would otherwise
24 be due shall be reduced by twenty-five percent;

25 (b) If the disability rating is more than twenty-five percent but
26 not more than fifty percent, then the motor vehicle tax that would
27 otherwise be due shall be reduced by fifty percent;

28 (c) If the disability rating is more than fifty percent but not more
29 than seventy-five percent, then the motor vehicle tax that would
30 otherwise be due shall be reduced by seventy-five percent; and

31 (d) If the disability rating is more than seventy-five percent, then

1 the motor vehicle tax that would otherwise be due shall be reduced by one
2 hundred percent.

3 Sec. 3. Section 60-3,189, Reissue Revised Statutes of Nebraska, is
4 amended to read:

5 60-3,189 (1) A blind veteran or disabled veteran of the United
6 States Armed Forces who qualifies for an exemption from the motor vehicle
7 tax under subdivision (2) or (8) of section 60-3,185 shall apply for the
8 exemption to the county treasurer not more than fifteen days before and
9 not later than thirty days after the registration date for the motor
10 vehicle. A renewal application shall be made annually not sooner than the
11 first day of the last month of the registration period or later than the
12 last day of the registration period. The county treasurer shall approve
13 or deny the application and notify the applicant of his or her decision
14 within twenty days after the filing of the application. An applicant may
15 appeal the denial of an application to the county board of equalization
16 within twenty days after the date the notice was mailed.

17 (2) An organization which qualifies for an exemption from the motor
18 vehicle tax under subdivision (6) of section 60-3,185 shall apply for the
19 exemption to the county treasurer not more than fifteen days before and
20 not later than thirty days after the registration date for the motor
21 vehicle. For a newly acquired motor vehicle, an application for exemption
22 must be made within thirty days after the purchase date. A renewal
23 application shall be made annually not sooner than the first day of the
24 last month of the registration period or later than the last day of the
25 registration period. The county treasurer shall examine the application
26 and recommend either exempt or nonexempt status to the county board of
27 equalization within twenty days after receipt of the application. The
28 county board of equalization, after a hearing on ten days' notice to the
29 applicant and after considering the recommendation of the county
30 treasurer and any other information it may obtain, shall approve or deny
31 the exemption on the basis of law and of rules and regulations adopted

1 and promulgated by the Tax Commissioner within thirty days after the
2 hearing. The county board of equalization shall mail or deliver its final
3 decision to the applicant and the county treasurer within seven days
4 after the date of decision. The decision of the county board of
5 equalization may be appealed to the Tax Equalization and Review
6 Commission in accordance with the Tax Equalization and Review Commission
7 Act within thirty days after the final decision.

8 Sec. 4. Section 60-3,190, Reissue Revised Statutes of Nebraska, is
9 amended to read:

10 60-3,190 (1) A motor vehicle fee is imposed on all motor vehicles
11 registered for operation in this state, except that any ~~. An owner of a~~
12 motor vehicle which is exempt from the ~~imposition of a~~ motor vehicle tax
13 pursuant to section 60-3,185 shall also be exempt from the ~~imposition of~~
14 the motor vehicle fee imposed pursuant to this section. Any motor vehicle
15 that is exempt from a percentage of the motor vehicle tax pursuant to
16 subdivision (8) of section 60-3,185 shall be exempt from the same
17 percentage of the motor vehicle fee imposed pursuant to this section.

18 (2) The department shall annually determine the motor vehicle fee on
19 each motor vehicle registered pursuant to this section and shall cause a
20 notice of the amount to be delivered to the registrant. The notice shall
21 be combined with the notice of the motor vehicle tax required by section
22 60-3,186.

23 (3) The motor vehicle fee schedules are set out in this subsection
24 and subsection (4) of this section. Except for automobiles with a value
25 when new of less than \$20,000, and for assembled, reconstructed-
26 designated, and replica-designated automobiles, the fee shall be
27 calculated by multiplying the base fee times the fraction which
28 corresponds to the age category of the automobile as shown in the
29 following table:

30	YEAR	FRACTION
31	First through fifth	1.00

1 Sixth through tenth .70
2 Eleventh and over .35

3 (4) The base fee shall be:

4 (a) Automobiles, with a value when new of less than \$20,000, and
5 assembled, reconstructed-designated, and replica-designated automobiles –
6 \$5

7 (b) Automobiles, with a value when new of \$20,000 through \$39,999 –
8 \$20

9 (c) Automobiles, with a value when new of \$40,000 or more – \$30

10 (d) Motorcycles and autocycles – \$10

11 (e) Recreational vehicles and cabin trailers – \$10

12 (f) Trucks over seven tons and buses – \$30

13 (g) Trailers other than semitrailers – \$10

14 (h) Semitrailers – \$30

15 (i) Former military vehicles – \$10

16 (j) Minitrucks – \$10

17 (k) Low-speed vehicles – \$10.

18 (5) The motor vehicle tax, motor vehicle fee, and registration fee
19 shall be paid to the county treasurer prior to the registration of the
20 motor vehicle for the following registration period. After retaining one
21 percent of the motor vehicle fee collected for costs, the remaining
22 proceeds shall be remitted to the State Treasurer for credit to the Motor
23 Vehicle Fee Fund. The State Treasurer shall return funds from the Motor
24 Vehicle Fee Fund remitted by a county treasurer which are needed for
25 refunds or credits authorized by law.

26 (6)(a) The Motor Vehicle Fee Fund is created. On or before the last
27 day of each calendar quarter, the State Treasurer shall distribute all
28 funds in the Motor Vehicle Fee Fund as follows: (i) Fifty percent to the
29 county treasurer of each county, amounts in the same proportion as the
30 most recent allocation received by each county from the Highway
31 Allocation Fund; and (ii) fifty percent to the treasurer of each

1 municipality, amounts in the same proportion as the most recent
2 allocation received by each municipality from the Highway Allocation
3 Fund. Any money in the fund available for investment shall be invested by
4 the state investment officer pursuant to the Nebraska Capital Expansion
5 Act and the Nebraska State Funds Investment Act.

6 (b) Funds from the Motor Vehicle Fee Fund shall be considered local
7 revenue available for matching state sources.

8 (c) All receipts by counties and municipalities from the Motor
9 Vehicle Fee Fund shall be used for road, bridge, and street purposes.

10 (7) For purposes of subdivisions (4)(a), (b), (c), and (f) of this
11 section, automobiles or trucks includes all trucks and combinations of
12 trucks or truck-tractors, except those trucks, trailers, or semitrailers
13 registered under section 60-3,198, and the fee is based on the gross
14 vehicle weight rating as reported by the manufacturer.

15 (8) Current model year vehicles are designated as first-year motor
16 vehicles for purposes of the schedules.

17 (9) When a motor vehicle is registered which is newer than the
18 current model year by the manufacturer's designation, the motor vehicle
19 is subject to the initial motor vehicle fee for six registration periods.

20 (10) Assembled vehicles other than assembled, reconstructed-
21 designated, or replica-designated automobiles shall follow the schedules
22 for the motor vehicle body type.

23 Sec. 5. Section 77-202.23, Reissue Revised Statutes of Nebraska, is
24 amended to read:

25 77-202.23 As used in sections 77-202.23 and 77-202.24, unless the
26 context otherwise requires:

27 ~~(1) Disabled person shall mean a veteran who has lost the use of or~~
28 ~~has undergone amputation of two or more extremities or has undergone~~
29 ~~amputation of one or more extremities and has lost the use of one or more~~
30 ~~extremities; and~~

31 (1) ~~(2) Blind veteran means shall mean~~ a veteran whose sight is so

1 defective as to seriously limit his or her ability to engage in the
2 ordinary vocations and activities of life; -

3 (2) Disability rating means a veteran's percentage of disability as
4 assigned by the United States Department of Veterans Affairs; and

5 (3) Disabled veteran has the same meaning as in 5 U.S.C. 2108, as
6 such section existed on January 1, 2022.

7 Sec. 6. Section 77-202.24, Reissue Revised Statutes of Nebraska, is
8 amended to read:

9 77-202.24 (1) If a A mobile home shall be exempt from taxation if
10 it is owned and occupied by a disabled or blind veteran of the United
11 States Armed Forces whose disability or blindness is recognized by the
12 United States Department of Veterans Affairs as service connected and who
13 was discharged or otherwise separated with a characterization of
14 honorable or general (under honorable conditions), then such mobile home
15 shall be exempt from taxation.

16 (2) If a mobile home is owned and occupied by a disabled veteran
17 whose disability is recognized by the United States Department of
18 Veterans Affairs as service connected and whose disability rating is at
19 least ten percent, then such mobile home shall receive an exemption from
20 taxation based on the veteran's disability rating as follows:

21 (a) If the disability rating is at least ten percent but not more
22 than twenty-five percent, then the taxes that would otherwise be due
23 shall be reduced by twenty-five percent;

24 (b) If the disability rating is more than twenty-five percent but
25 not more than fifty percent, then the taxes that would otherwise be due
26 shall be reduced by fifty percent;

27 (c) If the disability rating is more than fifty percent but not more
28 than seventy-five percent, then the taxes that would otherwise be due
29 shall be reduced by seventy-five percent; and

30 (d) If the disability rating is more than seventy-five percent, then
31 the taxes that would otherwise be due shall be reduced by one hundred

1 percent.

2 Sec. 7. This act becomes operative on January 1, 2023.

3 Sec. 8. Original sections 60-3,184, 60-3,185, 60-3,189, 60-3,190,
4 77-202.23, and 77-202.24, Reissue Revised Statutes of Nebraska, are
5 repealed.