

ONE HUNDRED SEVENTH LEGISLATURE

FIRST SESSION

LEGISLATIVE RESOLUTION 11CA

PROPOSED CONSTITUTIONAL AMENDMENT

Introduced by Erdman, 47; Albrecht, 17; Brewer, 43; Briese, 41; Clements, 2; Halloran, 33; Lowe, 37; McDonnell, 5; Murman, 38.

Read first time January 07, 2021

Committee: Revenue

1 THE MEMBERS OF THE ONE HUNDRED SEVENTH LEGISLATURE OF NEBRASKA,
2 FIRST SESSION, RESOLVE THAT:

3 Section 1. At the general election in November 2022, the following
4 proposed amendment to the Constitution of Nebraska shall be submitted to
5 the electors of the State of Nebraska for approval or rejection:

6 To amend Article IV, section 28, and Article VIII, sections 1, 1A,
7 1B, 2, 2A, 3, 4, 5, 6, 7, 10, 11, 12, and 13, and add a new section 14 to
8 Article VIII:

9 IV-28 Until January 1, 2025 ~~By January 1, 1997~~, there shall be a Tax
10 Equalization and Review Commission. The members of the commission shall
11 be appointed by the Governor as provided by law. The commission shall
12 have power to review and equalize assessments of property for taxation
13 within the state and shall have such other powers and perform such other
14 duties as the Legislature may provide. The terms of office and
15 compensation of members of the commission shall be as provided by law.

16 A Tax Commissioner shall be appointed by the Governor with the
17 approval of the Legislature. The Tax Commissioner may have jurisdiction
18 over the administration of the revenue laws of the state and such other
19 duties and powers as provided by law. The Tax Commissioner shall serve at
20 the pleasure of the Governor.

21 VIII-1 (1) The necessary revenue of the state and its governmental
22 subdivisions shall be raised by taxation in such manner as the
23 Legislature may direct. Notwithstanding Article I, section 16, Article

1 III, section 18, or Article VIII, section 4, of this Constitution or any
2 other provision of this Constitution to the contrary and subject to
3 subsection (2) of this section: (a) ~~(1)~~ Taxes shall be levied by
4 valuation uniformly and proportionately upon all real property and
5 franchises as defined by the Legislature except as otherwise provided in
6 or permitted by this Constitution; (b) ~~(2)~~ tangible personal property, as
7 defined by the Legislature, not exempted by this Constitution or by
8 legislation, shall all be taxed at depreciated cost using the same
9 depreciation method with reasonable class lives, as determined by the
10 Legislature, or shall all be taxed by valuation uniformly and
11 proportionately; (c) ~~(3)~~ the Legislature may provide for a different
12 method of taxing motor vehicles and may also establish a separate class
13 of motor vehicles consisting of those owned and held for resale by motor
14 vehicle dealers which shall be taxed in the manner and to the extent
15 provided by the Legislature and may also establish a separate class for
16 trucks, trailers, semitrailers, truck-tractors, or combinations thereof,
17 consisting of those owned by residents and nonresidents of this state,
18 and operating in interstate commerce, and may provide reciprocal and
19 proportionate taxation of such vehicles. The tax proceeds from motor
20 vehicles taxed in each county shall be allocated to the county and the
21 cities, villages, and school districts of such county; (d) ~~(4)~~ the
22 Legislature may provide that agricultural land and horticultural land, as
23 defined by the Legislature, shall constitute a separate and distinct
24 class of property for purposes of taxation and may provide for a
25 different method of taxing agricultural land and horticultural land which
26 results in values that are not uniform and proportionate with all other
27 real property and franchises but which results in values that are uniform
28 and proportionate upon all property within the class of agricultural land
29 and horticultural land; (e) ~~(5)~~ the Legislature may enact laws to provide
30 that the value of land actively devoted to agricultural or horticultural
31 use shall for property tax purposes be that value which such land has for

1 agricultural or horticultural use without regard to any value which such
2 land might have for other purposes or uses; ~~(f) (6)~~ the Legislature may
3 prescribe standards and methods for the determination of the value of
4 real property at uniform and proportionate values; ~~(g) (7)~~ in furtherance
5 of the purposes for which such a law of the United States has been
6 adopted, whenever there exists a law of the United States which is
7 intended to protect a specifically designated type, use, user, or owner
8 of property or franchise from discriminatory state or local taxation,
9 such property or franchise shall constitute a separate class of property
10 or franchise under the laws of the State of Nebraska, and such property
11 or franchise may not be taken into consideration in determining whether
12 taxes are levied by valuation uniformly or proportionately upon any
13 property or franchise, and the Legislature may enact laws which
14 statutorily recognize such class and which tax or exempt from taxation
15 such class of property or franchise in such manner as it determines; and
16 ~~(h) (8)~~ the Legislature may provide that livestock shall constitute a
17 separate and distinct class of property for purposes of taxation and may
18 further provide for reciprocal and proportionate taxation of livestock
19 located in this state for only part of a year. Each actual property tax
20 rate levied for a governmental subdivision shall be the same for all
21 classes of taxed property and franchises. Taxes uniform as to class of
22 property or the ownership or use thereof may be levied by valuation or
23 otherwise upon classes of intangible property as the Legislature may
24 determine, and such intangible property held in trust or otherwise for
25 the purpose of funding pension, profit-sharing, or other employee benefit
26 plans as defined by the Legislature may be declared exempt from taxation.
27 Taxes other than property taxes may be authorized by law. Existing
28 revenue laws shall continue in effect until changed by the Legislature.

29 (2) This section is superseded by Article VIII, section 14, of this
30 Constitution and shall only apply with respect to taxes imposed prior to
31 January 1, 2024.

1 VIII-1A (1) The state shall be prohibited from levying a property
2 tax for state purposes.

3 (2) This section is superseded by Article VIII, section 14, of this
4 Constitution and shall only apply with respect to taxes imposed prior to
5 January 1, 2024.

6 VIII-1B (1) When an income tax is adopted by the Legislature, the
7 Legislature may adopt an income tax law based upon the laws of the United
8 States.

9 (2) This section is superseded by Article VIII, section 14, of this
10 Constitution and shall only apply with respect to taxes imposed prior to
11 January 1, 2024.

12 VIII-2 (1) Notwithstanding Article I, section 16, Article III,
13 section 18, or Article VIII, section 1 or 4, of this Constitution or any
14 other provision of this Constitution to the contrary and subject to
15 subsection (2) of this section: (a) (1) The property of the state and its
16 governmental subdivisions shall constitute a separate class of property
17 and shall be exempt from taxation to the extent such property is used by
18 the state or governmental subdivision for public purposes authorized to
19 the state or governmental subdivision by this Constitution or the
20 Legislature. To the extent such property is not used for the authorized
21 public purposes, the Legislature may classify such property, exempt such
22 classes, and impose or authorize some or all of such property to be
23 subject to property taxes or payments in lieu of property taxes except as
24 provided by law; (b) (2) the Legislature by general law may classify and
25 exempt from taxation property owned by and used exclusively for
26 agricultural and horticultural societies and property owned and used
27 exclusively for educational, religious, charitable, or cemetery purposes,
28 when such property is not owned or used for financial gain or profit to
29 either the owner or user; (c) (3) household goods and personal effects,
30 as defined by law, may be exempted from taxation in whole or in part, as
31 may be provided by general law, and the Legislature may prescribe a

1 formula for the determination of value of household goods and personal
2 effects; (d) ~~(4)~~ the Legislature by general law may provide that the
3 increased value of land by reason of shade or ornamental trees planted
4 along the highway shall not be taken into account in the assessment of
5 such land; (e) ~~(5)~~ the Legislature, by general law and upon any terms,
6 conditions, and restrictions it prescribes, may provide that the
7 increased value of real property resulting from improvements designed
8 primarily for energy conservation may be exempt from taxation; (f) ~~(6)~~
9 the value of a home substantially contributed by the United States
10 Department of Veterans Affairs for a paraplegic veteran or multiple
11 amputee shall be exempt from taxation during the life of such veteran or
12 until the death or remarriage of his or her surviving spouse; (g) ~~(7)~~ the
13 Legislature may exempt from an intangible property tax life insurance and
14 life insurance annuity contracts and any payment connected therewith and
15 any right to pension or retirement payments; (h) ~~(8)~~ the Legislature may
16 exempt inventory from taxation; (i) ~~(9)~~ the Legislature may define and
17 classify personal property in such manner as it sees fit, whether by
18 type, use, user, or owner, and may exempt any such class or classes of
19 property from taxation if such exemption is reasonable or may exempt all
20 personal property from taxation; (j) ~~(10)~~ no property shall be exempt
21 from taxation except as permitted by or as provided in this Constitution;
22 (k) ~~(11)~~ the Legislature may by general law provide that a portion of the
23 value of any residence actually occupied as a homestead by any
24 classification of owners as determined by the Legislature shall be exempt
25 from taxation; and (l) ~~(12)~~ the Legislature may by general law, and upon
26 any terms, conditions, and restrictions it prescribes, provide that the
27 increased value of real property resulting from improvements designed
28 primarily for the purpose of renovating, rehabilitating, or preserving
29 historically significant real property may be, in whole or in part,
30 exempt from taxation.

31 (2) This section is superseded by Article VIII, section 14, of this

1 Constitution and shall only apply with respect to taxes imposed prior to
2 January 1, 2024.

3 VIII-2A (1) The Legislature may establish bonded and licensed
4 warehouses or storage areas for goods, wares and merchandise in transit
5 in the state which are intended for and which are shipped to final
6 destinations outside this state upon leaving such warehouses or storage
7 areas, and may exempt such goods, wares and merchandise from ad valorem
8 taxation while in such storage areas.

9 (2) This section is superseded by Article VIII, section 14, of this
10 Constitution and shall only apply with respect to taxes imposed prior to
11 January 1, 2024.

12 VIII-3 (1) The right of redemption from all sales of real estate,
13 for the non-payment of taxes or special assessments of any character
14 whatever, shall exist in favor of owners and persons interested in such
15 real estate, for a period of not less than two years from such sales
16 thereof. Provided, that occupants shall in all cases be served with
17 personal notice before the time of redemption expires.

18 (2) This section is superseded by Article VIII, section 14, of this
19 Constitution and shall only apply with respect to taxes imposed prior to
20 January 1, 2024.

21 VIII-4 (1) Except as to tax and assessment charges against real
22 property remaining delinquent and unpaid for a period of fifteen years or
23 longer, the Legislature shall have no power to release or discharge any
24 county, city, township, town, or district whatever, or the inhabitants
25 thereof, or any corporation, or the property therein, from their or its
26 proportionate share of taxes to be levied for state purposes, or due any
27 municipal corporation, nor shall commutation for such taxes be authorized
28 in any form whatever; Provided, that the Legislature may provide by law
29 for the payment or cancellation of taxes or assessments against real
30 estate remaining unpaid against real estate owned or acquired by the
31 state or its governmental subdivisions.

1 (2) This section is superseded by Article VIII, section 14, of this
2 Constitution and shall only apply with respect to taxes imposed prior to
3 January 1, 2024.

4 VIII-5 (1) County authorities shall never assess taxes the aggregate
5 of which shall exceed fifty cents per one hundred dollars of taxable
6 value as determined by the assessment rolls, except for the payment of
7 indebtedness existing at the adoption hereof, unless authorized by a vote
8 of the people of the county.

9 (2) This section is superseded by Article VIII, section 14, of this
10 Constitution and shall only apply with respect to taxes imposed prior to
11 January 1, 2024.

12 VIII-6 (1) The Legislature may vest the corporate authorities of
13 cities, towns and villages, with power to make local improvements,
14 including facilities for providing off-street parking for vehicles, by
15 special assessments or by special taxation of property benefited, and to
16 redetermine and reallocate from time to time the benefits arising from
17 the acquisition of such off-street parking facilities, and the
18 Legislature may vest the corporate authorities of cities and villages
19 with power to levy special assessments for the maintenance, repair and
20 reconstruction of such off-street parking facilities. For all other
21 corporate purposes, all municipal corporations may be vested with
22 authority to assess and collect taxes, but such taxes shall be uniform in
23 respect to persons and property within the jurisdiction of the body
24 imposing the same, except that cities and villages may be empowered by
25 the Legislature to assess and collect separate and additional taxes
26 within off-street parking districts created by and within any city or
27 village on such terms as the Legislature may prescribe.

28 (2) This section is superseded by Article VIII, section 14, of this
29 Constitution and shall only apply with respect to taxes imposed prior to
30 January 1, 2024.

31 VIII-7 (1) Private property shall not be liable to be taken or sold

1 for the payment of the corporate debts of municipal corporations. The
2 Legislature shall not impose taxes upon municipal corporations, or the
3 inhabitants or property thereof, for corporate purposes.

4 (2) This section is superseded by Article VIII, section 14, of this
5 Constitution and shall only apply with respect to taxes imposed prior to
6 January 1, 2024.

7 VIII-10 (1) Notwithstanding the other provisions of Article VIII and
8 subject to subsection (2) of this section, the Legislature is authorized
9 to substitute a basis other than valuation for taxes upon grain and seed
10 produced or handled in this state. Existing revenue laws not inconsistent
11 with the Constitution shall continue in effect until changed by the
12 Legislature.

13 (2) This section is superseded by Article VIII, section 14, of this
14 Constitution and shall only apply with respect to taxes imposed prior to
15 January 1, 2024.

16 VIII-11 (1) Subject to subsection (3) of this section, every ~~Every~~
17 public corporation and political subdivision organized primarily to
18 provide electricity or irrigation and electricity shall annually make the
19 same payments in lieu of taxes as it made in 1957, which payments shall
20 be allocated in the same proportion to the same public bodies or their
21 successors as they were in 1957.

22 (2) Subject to subsection (3) of this section, the Legislature ~~The~~
23 ~~legislature~~ may require each such public corporation to pay to the
24 treasurer of any county in which may be located any incorporated city or
25 village, within the limits of which such public corporation sells
26 electricity at retail, a sum equivalent to five (5) per cent of the
27 annual gross revenue of such public corporation derived from retail sales
28 of electricity within such city or village, less an amount equivalent to
29 the 1957 payments in lieu of taxes made by such public corporation with
30 respect to property or operations in any such city or village. The
31 payments in lieu of tax as made in 1957, together with any payments made

1 as authorized in this section shall be in lieu of all other taxes,
2 payments in lieu of taxes, franchise payments, occupation and excise
3 taxes, but shall not be in lieu of motor vehicle licenses and wheel
4 taxes, permit fees, gasoline tax and other such excise taxes or general
5 sales taxes levied against the public generally. So much of such five (5)
6 per cent as is in excess of an amount equivalent to the amount paid by
7 such public corporation in lieu of taxes in 1957 shall be distributed in
8 each year to the city or village, the school districts located in such
9 city or village, the county in which such city or village is located, and
10 the State of Nebraska, in the proportion that their respective property
11 tax mill levies in each such year bear to the total of such mill levies.

12 (3) This section is superseded by Article VIII, section 14, of this
13 Constitution, and the payments described in subsections (1) and (2) of
14 this section shall not be required on or after January 1, 2024.

15 VIII-12 (1) Notwithstanding any other provision in the Constitution
16 and subject to subsection (3) of this section, for Fø~~r~~ the purpose of
17 rehabilitating, acquiring, or redeveloping substandard and blighted
18 property in a redevelopment project as determined by law, any city or
19 village of the state may, notwithstanding any other provision in the
20 Constitution, and without regard to charter limitations and restrictions,
21 incur indebtedness, whether by bond, loans, notes, advance of money, or
22 otherwise.

23 (2) Notwithstanding any other provision in the Constitution or a
24 local charter and subject to subsection (3) of this section, such cities
25 or villages may also pledge for and apply to the payment of the
26 principal, interest, and any premium on such indebtedness all taxes
27 levied by all taxing bodies on the assessed valuation of the property in
28 the project area portion of a designated blighted and substandard area
29 that is in excess of the assessed valuation of such property for the year
30 prior to such rehabilitation, acquisition, or redevelopment. Cities and
31 villages may pledge such taxes for a period not to exceed fifteen years,

1 except that the Legislature may allow cities and villages to pledge such
2 taxes for a period not to exceed twenty years if, due to a high rate of
3 unemployment combined with a high poverty rate as determined by law, more
4 than one-half of the property in the project area is designated as
5 extremely blighted. When such indebtedness and the interest thereon have
6 been paid in full, such property thereafter shall be taxed as is other
7 property in the respective taxing jurisdictions and such taxes applied as
8 all other taxes of the respective taxing bodies.

9 (3) Beginning January 1, 2024, cities and villages shall no longer
10 have the power to incur indebtedness pursuant to subsection (1) of this
11 section or to pledge taxes pursuant to subsection (2) of this section.

12 VIII-13 (1) Notwithstanding Article I, section 16, Article III,
13 section 18, or Article VIII, section 1 or 4, of this Constitution or any
14 other provision of this Constitution to the contrary and subject to
15 subsection (2) of this section, amendments to Article VIII of this
16 Constitution passed in 1992 shall be effective from and after January 1,
17 1992, and existing revenue laws and legislative acts passed in the
18 regular legislative session of 1992, not inconsistent with this
19 Constitution as amended, shall be considered ratified and confirmed by
20 such amendments without the need for legislative reenactment of such
21 laws.

22 (2) This section is superseded by Article VIII, section 14, of this
23 Constitution and shall only apply with respect to taxes imposed prior to
24 January 1, 2024.

25 VIII-14 (1) Notwithstanding any other provision of this Constitution
26 to the contrary, effective January 1, 2024, the State of Nebraska and all
27 political subdivisions of the state shall be prohibited from imposing a
28 tax on personal income, a tax on corporate income, a tax on personal
29 property, a tax on real property, a tax on an inheritance from a deceased
30 person, a tax on the estate of a deceased person, and a tax on the retail
31 sale of goods and services except as provided in subsection (2) of this

1 section. Any taxes described in this subsection that are imposed prior to
2 January 1, 2024, may be collected through the end of calendar year 2024.

3 (2) The Legislature shall enact a consumption tax which shall apply
4 to purchases of services and new goods, except for fuel. Such consumption
5 tax shall begin no later than January 1, 2024. The Legislature may
6 authorize political subdivisions of the state to enact their own
7 consumption taxes upon such terms and conditions as the Legislature may
8 provide.

9 Sec. 2. The proposed amendment shall be submitted to the electors
10 in the manner prescribed by the Constitution of Nebraska, Article XVI,
11 section 1, with the following ballot language:

12 A constitutional amendment to prohibit the state and all political
13 subdivisions from imposing an income tax, a property tax, an inheritance
14 tax, an estate tax, and a tax on retail sales of goods and services
15 except for a consumption tax and to require the Legislature to enact a
16 consumption tax.

17 For

18 Against.