

ONE HUNDRED SEVENTH LEGISLATURE

SECOND SESSION

**LEGISLATIVE RESOLUTION 387**

Introduced by Day, 49.

PURPOSE: The purpose of this resolution is to propose an interim study to review the statutes relating to homestead exemptions and the current system and guidelines in place for determining income for applications for a homestead exemption, to assess whether such system and guidelines are appropriate and fair for applicants, and to evaluate possible changes and solutions.

A homestead exemption is a property tax relief option available for certain categories of homeowners. Income limits exist to claim a homestead exemption on a sliding scale for persons over age sixty-five, veterans totally disabled by a non-service-connected accident or illness, and persons with developmental disabilities. No such income limits exist for qualified totally disabled veterans and their surviving spouses or for veterans and their surviving spouses whose homes were substantially contributed to by the United States Department of Veterans Affairs. Applicants for a homestead exemption must report their income on the Nebraska Schedule I document which is filed with their application and that report must be supplemented by income documents from the Internal Revenue Service, Social Security Administration, and Railroad Retirement Board. Several factors determine the income levels for purposes of qualifying for a homestead exemption such as passive income, social security benefits, and whether the names of any children or other individuals are on the deed as owners and also occupy the homestead.

This study shall include, but not be limited to:

- (1) Reviewing income guidelines for homestead exemptions;
- (2) Assessing the guidelines and the barriers in place that prevent Nebraskans from qualifying for a homestead exemption;
- (3) Determining the fiscal impact of changing income guidelines for

applicants;

(4) Comparing current guidelines to neighboring states; and

(5) Determining whether changing income guidelines for homestead exemptions is appropriate and, if needed, examine alternative solutions for persons who do not qualify for the exemption.

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

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

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