

AMENDMENTS TO LB803

Introduced by Revenue.

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

3 **Section 1.** Sections 1 to 8 of this act shall be known and may be
4 cited as the First-Time Home Buyer Savings Account Act.

5 **Sec. 2.** The Legislature declares that the purpose of allowing
6 taxable income to be reduced by contributions to and earnings from a
7 first-time home buyer savings account is to encourage first-time home
8 ownership through incentivizing saving for a down payment and closing
9 costs because of the significant financial and civic benefits home
10 ownership provides for this state.

11 **Sec. 3.** For purposes of the First-Time Home Buyer Savings Account
12 Act:

13 (1) Account holder means an individual who establishes an account
14 with a financial institution that is designated as a first-time home
15 buyer savings account;

16 (2) Department means the Department of Revenue;

17 (3) Eligible expenses means a down payment and any closing costs
18 included on a real estate settlement statement, including, but not
19 limited to, appraisal fees, mortgage origination fees, and inspection
20 fees or any down payment costs and fees that may be included as part of
21 financing the construction of a primary residence;

22 (4) Financial institution means a bank, savings bank, building and
23 loan association, savings and loan association, or credit union, whether
24 chartered by the United States, the Department of Banking and Finance, or
25 a foreign state agency; any other similar organization which is covered
26 by federal deposit insurance; or a trust company;

27 (5) First-time home buyer means an individual who:

1 (a) Has never owned or purchased under contract for deed, either
2 individually or jointly, a single-family, owner-occupied primary
3 residence, including, but not limited to, a condominium unit or a
4 manufactured or mobile home that is assessed and taxed as real property;
5 or

6 (b) As a result of the individual's dissolution of marriage, has not
7 been listed on a property title for at least three consecutive years or
8 more;

9 (6) First-time home buyer savings account or account means an
10 account with a financial institution designated as a first-time home
11 buyer savings account in accordance with section 4 of this act; and

12 (7) Qualified beneficiary means a first-time home buyer designated
13 by an account holder for whom the money in a first-time home buyer
14 savings account is or will be used for eligible expenses for the purchase
15 of the qualified beneficiary's primary residence.

16 **Sec. 4.** (1) Beginning January 1, 2027, any individual may open an
17 account with a financial institution and designate the account, in its
18 entirety, as a first-time home buyer savings account to be used to pay or
19 reimburse a qualified beneficiary's eligible expenses for the purchase or
20 construction of a primary residence in Nebraska. An individual may be the
21 account holder of multiple accounts, and an individual may jointly own
22 the account with another person if they file a joint income tax return.
23 To be eligible for the subtraction under subsection (27) of section
24 77-2716, an account holder must comply with the requirements of this
25 section.

26 (2) An account holder must designate, no later than April 15 of the
27 year following the taxable year during which the account is established,
28 a first-time home buyer as the qualified beneficiary of the first-time
29 home buyer savings account. The account holder may designate himself or
30 herself as the qualified beneficiary. The account holder may change the
31 designated qualified beneficiary at any time, but there shall not be more

1 than one qualified beneficiary at any time. An account holder shall not
2 have multiple accounts with the same qualified beneficiary, but an
3 individual may be designated as the qualified beneficiary of multiple
4 accounts.

5 (3) The following limits apply to a first-time home buyer savings
6 account:

7 (a) The maximum contribution to a first-time home buyer savings
8 account for a taxable year is five thousand dollars for an individual and
9 ten thousand dollars for account holders who file a joint return; and

10 (b) The maximum amount of all contributions for all taxable years to
11 a first-time home buyer savings account is twenty-five thousand dollars
12 for an individual and fifty thousand dollars for account holders who file
13 a joint return.

14 (4) Money may remain in a first-time home buyer savings account for
15 unlimited duration without the contributions being subject to recapture
16 or penalty.

17 (5) The account holder shall not use money in an account to pay
18 expenses of administering the account, except that a service fee may be
19 deducted from the account by a financial institution.

20 (6) The account holder is responsible for maintaining documentation
21 for the first-time home buyer savings account and for eligible expenses
22 related to the qualified beneficiary's purchase of his or her primary
23 residence.

24 **Sec. 5.** (1)(a) The money in a first-time home buyer savings account
25 may be:

26 (i) Used for eligible expenses related to a qualified beneficiary's
27 purchase or construction of his or her primary residence in this state;

28 (ii) Used for eligible expenses related to a qualified beneficiary's
29 purchase or construction of his or her primary residence in or outside
30 the state if the qualified beneficiary is active-duty military and was
31 stationed in Nebraska for any time after the creation of the account;

1 (iii) Used for expenses that would have qualified under subdivision
2 (1)(a)(i) or (ii) of this section, but the contract for purchase or
3 construction did not close;

4 (iv) Transferred to another newly created first-time home buyer
5 savings account; or

6 (v) Used to pay a service fee that is assessed and deducted by the
7 financial institution.

8 (b) Subdivision (1)(a) of this section applies regardless of whether
9 the qualified beneficiary is the sole owner of the primary residence or a
10 joint owner with another person who does not qualify as a qualified
11 beneficiary.

12 (c) The money in a first-time home buyer savings account may not be
13 used for the purposes described in subdivisions (1)(a)(i), (ii), and
14 (iii) of this section if the primary residence being purchased or
15 constructed is a manufactured or mobile home that is not taxed as real
16 property.

17 (2)(a) Money withdrawn from a first-time home buyer savings account
18 is subject to recapture in the taxable year in which it is withdrawn if:

19 (i) At the time of the withdrawal, it has been less than a year
20 since the first deposit in the first-time home buyer savings account; or

21 (ii) The money is used for any purpose other than those authorized
22 in subsection (1) of this section.

23 (b) The amount subject to recapture shall be added to federal
24 adjusted gross income pursuant to subdivision (27)(b) of section 77-2716.

25 (3) If any money is subject to recapture pursuant to subdivision (2)
26 (a)(ii) of this section, the account holder shall pay to the department a
27 penalty in the same taxable year as the recapture. If the withdrawal is
28 made ten or fewer years after the first deposit in the first-time home
29 buyer savings account, the penalty is equal to five percent of the amount
30 subject to recapture. If the withdrawal is made more than ten years after
31 the first deposit in the account, the penalty is equal to ten percent of

1 the amount subject to recapture. The penalties provided in this
2 subsection do not apply if:

3 (a) The money is used for eligible expenses related to a qualified
4 beneficiary's purchase or construction of his or her primary residence
5 outside of the state; or

6 (b) The money is from a first-time home buyer savings account for
7 which the qualified beneficiary dies and the account holder does not
8 designate a new qualified beneficiary during the same taxable year.

9 (4) If the account holder or, if the first-time home buyer savings
10 account is jointly owned, the account holders die, all of the money in
11 the account that was subtracted from taxable income is subject to
12 recapture in the taxable year of the death or deaths, but no penalty is
13 due to the department.

14 **Sec. 6.** The department shall establish a form for an account holder
15 to annually report information about a first-time home buyer savings
16 account, including, but not limited to, how the money from the account is
17 used, and shall identify any supporting documentation that is required to
18 be maintained. To be eligible for the subtraction in subsection (27) of
19 section 77-2716, an account holder must annually file with his or her
20 state income tax return the completed form, the 1099 form for the account
21 issued by the financial institution, and any other supporting
22 documentation the department requires.

23 **Sec. 7. (1)** A financial institution is not required to:

24 (a) Designate an account as a first-time home buyer savings account,
25 or designate the qualified beneficiaries of an account, in the financial
26 institution's account contracts or systems or in any other way;

27 (b) Track the use of money withdrawn from a first-time home buyer
28 savings account; or

29 (c) Report any information to the department or any other
30 governmental agency that is not otherwise required by law.

31 (2) A financial institution is not responsible or liable for:

1 (a) Determining or ensuring that an account holder is eligible for a
2 subtraction under subsection (27) of section 77-2716;

3 (b) Determining or ensuring that money in the account is used for an
4 eligible expense; or

5 (c) Reporting or remitting taxes or penalties related to the use of
6 money in a first-time home buyer savings account.

7 (3) In implementing the First-Time Home Buyer Savings Account Act,
8 the department shall not establish any administrative, reporting, or
9 other requirements on financial institutions that are outside the scope
10 of normal account procedures.

11 **Sec. 8.** The department may adopt and promulgate rules and
12 regulations to carry out the First-Time Home Buyer Savings Account Act.

13 **Sec. 9.** Section 13-3103, Revised Statutes Supplement, 2025, is
14 amended to read:

15 13-3103 (1) Any applicant may apply to the board for state
16 assistance if (a) the applicant has acquired, constructed, improved, or
17 equipped an eligible sports arena facility, (b) the applicant has
18 approved a revenue bond issue or a general obligation bond issue to
19 acquire, construct, improve, or equip an eligible sports arena facility,
20 (c) the applicant has adopted a resolution authorizing the applicant to
21 pursue a general obligation bond issue to acquire, construct, improve, or
22 equip an eligible sports arena facility, (d) a building permit has been
23 issued within the applicant's jurisdiction for an eligible sports arena
24 facility that is a privately owned concert venue, (e) a building permit
25 has been issued or construction has been completed within the applicant's
26 jurisdiction for an eligible sports arena facility that is a privately
27 owned sports complex, or (f) each coapplicant described in subdivision
28 (1)(b) of section 13-3102 has adopted a resolution authorizing either the
29 political subdivision or the nonprofit corporation to pursue financing or
30 bonds to acquire, construct, improve, or equip an eligible sports arena
31 facility for the purposes set forth in subdivision (4)(b) of this section

1 ~~13-3103.~~

2 (2) Except as provided in subsections (3) and (4) of this section,
3 the state assistance shall only be used by the applicant to pay back
4 amounts expended or borrowed through one or more issues of bonds to be
5 expended by the applicant to acquire, construct, improve, or equip the
6 publicly owned eligible sports arena facility and to acquire, construct,
7 improve, or equip publicly owned nearby parking facilities.

8 (3) For an eligible sports arena facility that is a privately owned
9 concert venue, the state assistance shall only be used by the applicant
10 (a) to pay back amounts expended or borrowed through one or more issues
11 of bonds to be expended by the applicant to acquire, construct, improve,
12 or equip a nearby parking facility or (b) to promote arts and cultural
13 events which are open to or made available to the general public.

14 (4) For an eligible sports arena facility that is a privately owned
15 sports complex, the state assistance shall only be used by the applicant:

16 (a) To pay back amounts expended or borrowed through one or more
17 issues of bonds to be expended by the applicant to acquire, construct,
18 improve, or equip one or more public infrastructure projects, as defined
19 in section 77-27,142, related to a privately owned sports complex;

20 (b) To lease all or a portion of such privately owned sports complex
21 for the governmental use of the political subdivision. For purposes of
22 this subdivision, lease means any contractual lease agreement between the
23 coapplicants described in subdivision (1)(b) of section 13-3102 for the
24 use of an eligible sports arena facility at fair market rental value for
25 a term not to exceed twenty years;

26 (c) To promote sporting events which are open to or made available
27 to the general public; or

28 (d) To pay back amounts expended or borrowed through one or more
29 debt issues to be expended by the nonprofit corporation coapplicant to
30 acquire, construct, improve, or equip a privately owned sports complex,
31 subject to voter approval as provided in section 13-3110.

1 (5)(a) No more than ten years of funding for promotion of the arts
2 and cultural events shall be paid by state assistance received pursuant
3 to section 13-3108.

4 (b) No more than ten years of funding for promotion of sporting
5 events shall be paid by state assistance received pursuant to section
6 13-3108.

7 (c) No more than ~~ten~~ five years of funding for a sports complex
8 located in a city of the second class or village shall be paid by state
9 assistance received pursuant to section 13-3108.

10 (6) For any application for state assistance for a large public
11 stadium approved on or after July 19, 2024, up to one hundred percent of
12 the final cost of the project may be funded by state assistance received
13 pursuant to section 13-3108.

14 **Sec. 10.** Section 13-3105, Reissue Revised Statutes of Nebraska, is
15 amended to read:

16 13-3105 (1) Within thirty days after completing the board's review
17 of an application under subsection (4) of ~~After reviewing an application~~
18 ~~submitted under~~ section 13-3104, the board shall hold a public hearing on
19 the application.

20 (2) The board shall give notice of the time, place, and purpose of
21 the public hearing by publication three times in a newspaper of general
22 circulation in the area where the political subdivision submitting the
23 application is located. Such publication shall be not less than ten days
24 prior to the hearing. The notice shall describe generally the project for
25 which state assistance has been requested. The applicant shall pay the
26 cost of the notice.

27 (3) At the public hearing, representatives of the applicant and any
28 other interested persons may appear and present evidence and argument in
29 support of or in opposition to the application or neutral testimony. The
30 board may seek expert testimony and may require testimony of persons whom
31 the board desires to comment on the application. The board may accept

1 additional evidence after conclusion of the public hearing.

2 **Sec. 11.** Section 13-3106, Revised Statutes Supplement, 2025, is
3 amended to read:

4 13-3106 (1) After consideration of the application and the evidence,
5 the board shall determine whether or not to approve the application. For
6 applications submitted on or after the operative date of this section,
7 the board shall make its determination within thirty days after the
8 public hearing held pursuant to section 13-3105. For applications
9 submitted prior to the operative date of this section, the board shall
10 make its determination within thirty days after the public hearing held
11 pursuant to section 13-3105 or within thirty days after the operative
12 date of this section, whichever period is later. The application shall be
13 approved unless the board finds that the project described in the
14 application is ineligible or that state assistance is not in the best
15 interest of the state. ~~if the board finds that the project described in~~
16 ~~the application is eligible and that state assistance is in the best~~
17 ~~interest of the state, the application shall be approved, except that:~~

18 (2) (a) An approval of an application submitted because of the
19 requirement in subdivision (1)(c) of section 13-3103 is a temporary
20 approval. If the general obligation bond issue is subsequently approved
21 by the voters of the political subdivision, the approval by the board
22 becomes permanent. If the general obligation bond issue is not approved
23 by such voters, the temporary approval shall become void. ~~;~~ and

24 (3) (b) An approval of an application submitted because of the
25 requirement in subdivision (1)(f) of section 13-3103 is a temporary
26 approval. If a building permit for the eligible sports arena facility is
27 issued within twenty-four months of the temporary approval, the approval
28 by the board becomes permanent. If a building permit is not issued within
29 twenty-four months of the temporary approval, the temporary approval
30 shall become void.

31 (4) (2) In determining whether state assistance is in the best

1 interest of the state, the board ~~may shall~~ consider the fiscal and
2 economic capacity of the applicant to finance the local share of the
3 project.

4 ~~(5) (3)~~ A majority of the board members constitutes a quorum for the
5 purpose of conducting business. All actions of the board shall be by a
6 majority vote of ~~all~~ the board members present at the board meeting ~~, one~~
7 ~~of whom must be the Governor.~~

8 **Sec. 12.** Section 13-3108, Revised Statutes Cumulative Supplement,
9 2024, is amended to read:

10 13-3108 (1) The Sports Arena Facility Support Fund is created. Any
11 money in the fund available for investment shall be invested by the state
12 investment officer pursuant to the Nebraska Capital Expansion Act and the
13 Nebraska State Funds Investment Act.

14 (2)(a) Upon receiving the certification described in subsection (3)
15 of section 13-3107, the State Treasurer shall transfer the amount
16 certified to the fund.

17 (b) Upon receiving the quarterly certification described in
18 subsection (4) of section 13-3107, the State Treasurer shall transfer the
19 amount certified to the fund.

20 (3)(a) It is the intent of the Legislature to appropriate from the
21 fund money to be distributed as provided in subsections (4) and (5) of
22 this section to any political subdivision for which an application for
23 state assistance under the Sports Arena Facility Financing Assistance Act
24 has been approved an amount not to exceed:

25 (i) For any eligible sports arena facility that is not a sports
26 complex located in a city of the second class or village, seventy percent
27 of the (A) state sales tax revenue collected by retailers doing business
28 at eligible sports arena facilities on sales at such facilities, (B)
29 state sales tax revenue collected on primary and secondary box office
30 sales of admissions to such facilities, and (C) new state sales tax
31 revenue collected by nearby retailers and sourced under sections

1 77-2703.01 to 77-2703.04 to the program area; or

2 (ii) For any eligible sports arena facility that is a sports complex
3 located in a city of the second class or village, twenty-five percent of
4 the (A) state sales tax revenue collected by retailers doing business at
5 eligible sports arena facilities on sales at such facilities, (B) state
6 sales tax revenue collected on primary and secondary box office sales of
7 admissions to such facilities, and (C) new state sales tax revenue
8 collected by nearby retailers and sourced under sections 77-2703.01 to
9 77-2703.04 to the program area.

10 (b) The amount to be appropriated for distribution as state
11 assistance to a political subdivision under this subsection for any one
12 year after the tenth year shall not exceed the highest such amount
13 appropriated under subdivision (3)(a) of this section during any one year
14 of the first ten years of such appropriation. If seventy percent of the
15 state sales tax revenue as described in subdivision (3)(a) of this
16 section exceeds the amount to be appropriated under this subdivision,
17 such excess funds shall be transferred to the General Fund. This
18 subdivision does not apply to any eligible sports arena facility that is
19 a sports complex located in a city of the second class or village.

20 (4) The amount certified under subsection (3) of section 13-3107
21 shall be distributed as state assistance on or before April 15, 2014.

22 (5) Beginning in 2014, quarterly distributions and associated
23 transfers of state assistance shall be made. Such quarterly distributions
24 and transfers shall be based on the certifications provided under
25 subsection (4) of section 13-3107 and shall occur within fifteen days
26 after receipt of such certification.

27 (6)(a) Except as provided in subdivision (6)(b) of this section, the
28 total amount of state assistance approved for an eligible sports arena
29 facility shall not exceed one hundred million dollars.

30 (b) For any eligible sports arena facility that is a large public
31 stadium:

1 (i) The total amount of state assistance approved for such facility
2 shall not exceed twenty-five million dollars;

3 (ii) The amount of state assistance approved for such facility for
4 any year shall not exceed one million two hundred fifty thousand dollars;
5 and

6 (iii) No state assistance for any large public stadium shall be paid
7 until after July 1, 2027.

8 (7)(a) Except as provided in subdivisions (b), (c), and (d) of this
9 subsection, state assistance to the political subdivision shall no longer
10 be available upon the retirement of the bonds issued to acquire,
11 construct, improve, or equip the facility or any subsequent bonds that
12 refunded the original issue or when state assistance reaches the amount
13 determined under subdivision (6)(a) of this section, whichever comes
14 first.

15 (b) If the state assistance will be used to provide funding for
16 promotion of the arts and cultural events or for promotion of sporting
17 events, such state assistance to the political subdivision shall no
18 longer be available after ten years of funding or when state assistance
19 reaches the amount determined under subdivision (6)(a) of this section,
20 whichever comes first.

21 (c) If the state assistance will be used to provide funding for a
22 sports complex located in a city of the second class or village, such
23 state assistance to the political subdivision shall no longer be
24 available after ten ~~five~~ years of funding or when state assistance
25 reaches the amount determined under subdivision (6)(a) of this section,
26 whichever comes first.

27 (d) If the state assistance will be used to provide funding for a
28 large public stadium, such state assistance to the political subdivision
29 shall no longer be available after twenty years of funding or when state
30 assistance reaches the amount determined under subdivision (6)(b)(i) of
31 this section, whichever comes first.

1 (8) State assistance shall not be used for an operating subsidy for
2 any publicly owned eligible sports arena facility or nearby parking
3 facility.

4 (9) The thirty percent of state sales tax revenue remaining after
5 the appropriation and transfer in subdivision (3)(a)(i) of this section
6 shall be appropriated by the Legislature and transferred quarterly as
7 follows:

8 (a) If the revenue relates to an eligible sports arena facility that
9 is a sports complex and that is approved for state assistance under
10 section 13-3106 on or after May 26, 2021, eighty-three percent of such
11 revenue shall be transferred to the Support the Arts Cash Fund and
12 seventeen percent of such revenue shall be transferred to the Convention
13 Center Support Fund; and

14 (b) If the revenue relates to any other eligible sports arena
15 facility, such revenue shall be transferred to the Civic and Community
16 Center Financing Fund.

17 (10) The seventy-five percent of state sales tax revenue remaining
18 after the appropriation and transfer in subdivision (3)(a)(ii) of this
19 section shall be distributed in accordance with section 77-27,132.

20 (11) Except as provided in subsection (12) of this section for a
21 city of the primary class, any municipality that has applied for and
22 received a grant of assistance under the Civic and Community Center
23 Financing Act shall not receive state assistance under the Sports Arena
24 Facility Financing Assistance Act for the same project for which the
25 grant was awarded under the Civic and Community Center Financing Act.

26 (12) A city of the primary class shall not be eligible to receive a
27 grant of assistance from the Civic and Community Center Financing Act if
28 the city has applied for and received a grant of assistance under the
29 Sports Arena Facility Financing Assistance Act.

30 **Sec. 13.** Section 13-3403, Revised Statutes Supplement, 2025, is
31 amended to read:

1 13-3403 (1) Except as otherwise provided in the Property Tax Growth
2 Limitation Act, for fiscal years beginning on or after July 1, 2025, a
3 political subdivision's property tax request for any year shall not
4 exceed its property tax request authority as determined under this
5 section. The preliminary property tax request authority for each
6 political subdivision shall be the amount of property taxes requested and
7 approved by each political subdivision and included on the budget
8 document filed with the auditor in the prior fiscal year pursuant to
9 subsection (2) of section 13-506, less the sum of exceptions utilized in
10 the prior year pursuant to subdivisions (1), (2), (4), (5), (6), and ~~to~~
11 (7) of section 13-3404.

12 (2) In addition to the preliminary property tax request authority,
13 the political subdivision's property tax request authority may be
14 increased by:

15 (a) The product of (i) the amount of property taxes levied in the
16 prior year, less the sum of exceptions utilized in the prior year
17 pursuant to subdivisions (1) and (2) of section 13-3404, and (ii) the
18 political subdivision's growth percentage; and

19 (b) The product of (i) the amount of property taxes levied in the
20 prior year, less the sum of exceptions utilized in the prior year
21 pursuant to subdivisions (1) and (2) of section 13-3404, and (ii) the
22 greater of zero or the inflation percentage.

23 **Sec. 14.** Section 77-1315, Reissue Revised Statutes of Nebraska, is
24 amended to read:

25 77-1315 (1) The county assessor shall, after March 19 and on or
26 before June 1, implement adjustments to the real property assessment roll
27 for actions of the Tax Equalization and Review Commission, except
28 beginning January 1, 2014, in any county with a population of at least
29 one hundred fifty thousand inhabitants according to the most recent
30 federal decennial census, the adjustments shall be implemented after
31 March 25 and on or before June 1.

1 (2) On or before June 1, in addition to the notice of preliminary
2 valuation sent pursuant to section 77-1301, the county assessor shall
3 create a notice to be delivered to notify the owner of record as of May
4 20 of the assessed value of every item of real property not exempt from
5 taxation which has been assessed at a value different than in the
6 previous year. Such notice shall be delivered given by first-class mail
7 addressed to such owner's last-known address. It shall identify the item
8 of real property and shall display a column for the prior tax year and
9 the current tax year. Under the column for the prior tax year, the notice
10 shall display the valuation of the parcel in the prior tax year, the
11 amount each city, county, and school district levied against such parcel
12 in the prior tax year, and the total amount of taxes levied against such
13 parcel in the prior tax year by the city, county, and school district.
14 Under the column for the current tax year, the notice shall display the
15 valuation of the parcel in the current tax year and the total amount of
16 taxes that would be levied against such parcel by each city, county, and
17 school district using the previous year's rate of levy. The notice shall
18 state the following, in a font size larger than any other font appearing
19 on the notice: "KNOW YOUR RIGHTS: If you believe the valuation of the
20 parcel described in this notice to be in error, you may file a protest of
21 this valuation with the county clerk on or before June 30, and your
22 protest shall be decided by the county board of equalization. Your
23 protest must be accompanied by documentation sufficient to justify the
24 requested valuation; if not, your protest will be dismissed. If you are
25 concerned about the effect your valuation may have on how much tax will
26 be levied against your parcel, you are encouraged to attend any and all
27 of the budget hearings for the political subdivisions listed above. This
28 notice displays the amount of tax which would be levied if the levy rate
29 for each of the listed political subdivisions were unchanged from the
30 prior year." The notice shall include the date of convening of the county
31 board of equalization and the dates for filing a protest. The notice

1 shall also state the following: "The time and place of the budget
2 hearings will be reported to the county assessor by each political
3 subdivision on or before June 15. Such time and place can change based on
4 unforeseen circumstances. You are encouraged to verify with each
5 political subdivision that the time and place of the budget hearings has
6 not changed. You will receive a postcard from the state, mailed on or
7 before July 1, which will provide further information." ~~state the old and~~
8 ~~new valuation, the date of convening of the county board of equalization,~~
9 ~~and the dates for filing a protest.~~

10 (3) Immediately upon completion of the assessment roll, the county
11 assessor shall cause to be published in a newspaper of general
12 circulation in the county a certification that the assessment roll is
13 complete and notices of valuation changes have been mailed and provide
14 the final date for filing valuation protests with the county board of
15 equalization.

16 (4) The county assessor shall annually, on or before June 6, post in
17 his or her office and, as designated by the county board, mail to a
18 newspaper of general circulation and to licensed broadcast media in the
19 county the assessment ratios as found in his or her county as determined
20 by the Tax Equalization and Review Commission and any other statistical
21 measures, including, but not limited to, the assessment-to-sales ratio,
22 the coefficient of dispersion, and the price-related differential.

23 (5) On or before June 15, each political subdivision levying a tax
24 against property shall inform the county assessor of every county in
25 which the political subdivision has the authority to levy such tax of the
26 time and place of the political subdivision's first budget hearing.
27 Failure by a political subdivision to comply with this subsection shall
28 not (a) constitute a violation of this subsection by the county assessor,
29 (b) invalidate the political subdivision's property tax request, or (c)
30 constitute an unauthorized levy under section 77-1606.

31 (6) On or before June 15, the county assessor shall send the

1 Property Tax Administrator a report which includes:

2 (a) The name and address of every person receiving the notice
3 required by subsection (2) of this section; and

4 (b) The county's website address where the following information
5 shall be posted:

6 (i) The time and place of the first budget hearing for the county
7 and each city and school district authorized to levy a tax within the
8 county; and

9 (ii) The time and place of the joint public hearing held pursuant to
10 section 18 of this act.

11 (7) On or before June 25, the Department of Revenue shall send each
12 person listed in the report provided pursuant to subsection (6) of this
13 section a postcard containing information about the website address
14 described in subdivision (6)(b) of this section.

15 **Sec. 15.** Section 77-1502, Revised Statutes Cumulative Supplement,
16 2024, is amended to read:

17 77-1502 (1) The county board of equalization shall meet for the
18 purpose of reviewing and deciding written protests filed pursuant to this
19 section beginning on or after June 1 and ending on or before July 25 of
20 each year. Protests regarding real property shall be signed and filed
21 after the county assessor's completion of the real property assessment
22 roll required by section 77-1315 and on or before June 30. For protests
23 of real property, a protest shall be filed for each parcel. Protests
24 regarding taxable tangible personal property returns filed pursuant to
25 section 77-1229 from January 1 through May 1 shall be signed and filed on
26 or before June 30. The county board in a county with a population of more
27 than one hundred thousand inhabitants based upon the most recent federal
28 decennial census may adopt a resolution to extend the deadline for
29 hearing protests from July 25 to August 10. The resolution must be
30 adopted before July 25 and it will affect the time for hearing protests
31 for that year only. By adopting such resolution, such county waives any

1 right to petition the Tax Equalization and Review Commission for
2 adjustment of a class or subclass of real property under section
3 77-1504.01 for that year.

4 (2) Each protest shall be made on a form prescribed by the Tax
5 Commissioner, signed, and filed with the county clerk of the county where
6 the property is assessed. It shall be acceptable for a county to create
7 its own form, including an electronic form, as long as the form captures
8 the information required by this subsection. The protest shall contain or
9 have attached a statement of the reason or reasons why the requested
10 change should be made, including the requested valuation, documentation
11 sufficient for the county board of equalization to determine a different
12 valuation, and a description of the property to which the protest
13 applies. If the property is real property, a description adequate to
14 identify each parcel shall be provided. If the property is tangible
15 personal property, a physical description of the property under protest
16 shall be provided. If the protest does not contain or have attached the
17 statement of the reason or reasons for the protest, including the
18 requested valuation, documentation sufficient for the county board of
19 equalization to determine a different valuation, and ~~or~~ the applicable
20 description of the property, the protest shall be dismissed by the county
21 board of equalization. Counties may make reasonable efforts to contact
22 protesters who have timely filed a protest but have either filed
23 incomplete information or not used the required form. The protest shall
24 also indicate whether the person signing the protest is an owner of the
25 property or a person authorized to protest on behalf of the owner. If the
26 person signing the protest is a person authorized to protest on behalf of
27 the owner, such person shall provide the authorization with the protest.
28 If the person signing the protest is not an owner of the property or a
29 person authorized to protest on behalf of the owner, the county clerk
30 shall mail a copy of the protest to the owner of the property at the
31 address to which the property tax statements are mailed.

1 (3) Beginning January 1, 2014, in counties with a population of at
2 least one hundred fifty thousand inhabitants according to the most recent
3 federal decennial census, for a protest regarding real property, each
4 protester shall be afforded the opportunity to meet in person with the
5 county board of equalization or a referee appointed under section
6 77-1502.01 to provide information relevant to the protested property
7 value.

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

11 (5) The county clerk or county assessor shall prepare a separate
12 report on each protest. The report shall include (a) a description
13 adequate to identify the real property or a physical description of the
14 tangible personal property to which the protest applies, (b) any
15 recommendation of the county assessor for action on the protest, (c) if a
16 referee is used, the recommendation of the referee, (d) the date the
17 county board of equalization heard the protest, (e) the decision made by
18 the county board of equalization, (f) the date of the decision, and (g)
19 the date notice of the decision was mailed to the protester. The report
20 shall contain, or have attached to it, a statement, signed by the
21 chairperson of the county board of equalization, describing the basis
22 upon which the board's decision was made. The report shall have attached
23 to it a copy of that portion of the property record file which
24 substantiates calculation of the protested value unless the county
25 assessor certifies to the county board of equalization that a copy is
26 maintained in either electronic or paper form in his or her office. One
27 copy of the report, if prepared by the county clerk, shall be given to
28 the county assessor on or before August 2. The county assessor shall have
29 no authority to make a change in the assessment rolls until there is in
30 his or her possession a report which has been completed in the manner
31 specified in this section. If the county assessor deems a report

1 submitted by the county clerk incomplete, the county assessor shall
2 return the same to the county clerk for proper preparation.

3 (6) On or before August 2, or on or before August 18 in a county
4 that has adopted a resolution to extend the deadline for hearing
5 protests, the county clerk shall mail to the protester written notice of
6 the board's decision. The notice shall contain a statement advising the
7 protester that a report of the board's decision is available at the
8 county clerk's or county assessor's office, whichever is appropriate. If
9 the protester is not an owner of the property involved in the protest or
10 a person authorized to protest on behalf of the owner, the county clerk
11 shall also mail written notice of the board's decision to the owner of
12 such property at the address to which the property tax statements are
13 mailed.

14 **Sec. 16.** Section 77-1601, Revised Statutes Cumulative Supplement,
15 2024, is amended to read:

16 77-1601 (1) The county board of equalization shall each year, on or
17 before October 20, levy the necessary taxes for the current year if
18 within the limit of the law. The levy shall include an amount for
19 operation of all functions of county government and shall also include
20 all levies necessary to fund tax requests that are authorized as provided
21 in sections 77-3442 to 77-3444, including requests certified under
22 section 77-1632 ~~the Property Tax Request Act.~~

23 (2) On or before November 5, the county board of equalization upon
24 its own motion may act to correct a clerical error which has resulted in
25 the calculation of an incorrect levy by any entity with a tax request as
26 provided in sections 77-3442 to 77-3444, including requests certified
27 under section 77-1632 ~~the Property Tax Request Act.~~ The county board of
28 equalization shall hold a public hearing to determine what adjustment to
29 the levy is proper, legal, or necessary. Notice shall be provided to the
30 governing body of each political subdivision affected by the error.
31 Notice of the hearing as required by section 84-1411 shall include the

1 following: (a) The time and place of the hearing, (b) the dollar amount
2 at issue, and (c) a statement setting forth the nature of the error.

3 (3) Upon the conclusion of the hearing, the county board of
4 equalization shall issue a corrected levy if it determines that an error
5 was made in the original levy which warrants correction. The county board
6 of equalization shall then order (a) the county assessor, county clerk,
7 and county treasurer to revise assessment books, unit valuation ledgers,
8 tax statements, and any other tax records to reflect the correction made
9 and (b) the recertification of the information provided to the Property
10 Tax Administrator pursuant to section 77-1613.01.

11 **Sec. 17.** Section 77-1632, Revised Statutes Supplement, 2025, is
12 amended to read:

13 77-1632 (1) For purposes of this section, property tax request means
14 the total amount of property taxes requested to be raised for a political
15 subdivision through the levy imposed pursuant to section 77-1601.

16 (2) ~~(1)~~ If the annual assessment of property would result in an
17 increase in the total property taxes levied by a county, city, village,
18 school district, learning community, sanitary and improvement district,
19 natural resources district, educational service unit, or community
20 college, as determined using the previous year's rate of levy, such
21 political subdivision's property tax request for the current year shall
22 be no more than its property tax request in the prior year, and the
23 political subdivision's rate of levy for the current year shall be
24 decreased accordingly when such rate is set by the county board of
25 equalization pursuant to section 77-1601. The governing body of the
26 political subdivision shall pass a resolution or ordinance to set the
27 amount of its property tax request after holding the public hearing
28 required in subsection (4) ~~(3)~~ of this section. If the governing body of
29 a political subdivision seeks to set its property tax request at an
30 amount that exceeds its property tax request in the prior year, it may do
31 so, subject to the limitations provided in the School District Property

1 Tax Limitation Act and the Property Tax Growth Limitation Act, after
2 holding the public hearing required in subsection ~~(4)~~ (3) of this section
3 and by passing a resolution or ordinance, by a two-thirds majority vote,
4 that complies with subsection ~~(5)~~ (4) of this section. ~~If any county,~~
5 ~~city, or school district seeks to increase its property tax request by~~
6 ~~more than the allowable growth percentage, such political subdivision~~
7 ~~shall comply with the requirements of section 77-1633 in lieu of the~~
8 ~~requirements in subsections (3) and (4) of this section.~~

9 (3) ~~(2)~~ If the annual assessment of property would result in no
10 change or a decrease in the total property taxes levied by a county,
11 city, village, school district, learning community, sanitary and
12 improvement district, natural resources district, educational service
13 unit, or community college, as determined using the previous year's rate
14 of levy, such political subdivision's property tax request for the
15 current year shall be no more than its property tax request in the prior
16 year, and the political subdivision's rate of levy for the current year
17 shall be adjusted accordingly when such rate is set by the county board
18 of equalization pursuant to section 77-1601. The governing body of the
19 political subdivision shall pass a resolution or ordinance to set the
20 amount of its property tax request after holding the public hearing
21 required in subsection ~~(4)~~ (3) of this section. If the governing body of
22 a political subdivision seeks to set its property tax request at an
23 amount that exceeds its property tax request in the prior year, it may do
24 so, subject to the limitations provided in the School District Property
25 Tax Limitation Act and the Property Tax Growth Limitation Act, after
26 holding the public hearing required in subsection ~~(4)~~ (3) of this section
27 and by passing a resolution or ordinance, by a two-thirds majority vote,
28 that complies with subsection ~~(5)~~ (4) of this section. ~~If any county,~~
29 ~~city, or school district seeks to increase its property tax request by~~
30 ~~more than the allowable growth percentage, such political subdivision~~
31 ~~shall comply with the requirements of section 77-1633 in lieu of the~~

1 ~~requirements in subsections (3) and (4) of this section.~~

2 (4) ~~(3)~~ The resolution or ordinance required under this section
3 shall only be passed after a special public hearing called for such
4 purpose is held and after notice is published in a newspaper of general
5 circulation in the area of the political subdivision at least four
6 calendar days prior to the hearing. For purposes of such notice, the four
7 calendar days shall include the day of publication but not the day of
8 hearing. If the political subdivision's total operating budget, not
9 including reserves, does not exceed ten thousand dollars per year or
10 twenty thousand dollars per biennial period, the notice may be posted at
11 the governing body's principal headquarters. The hearing notice shall
12 contain the following information: The certified taxable valuation under
13 section 13-509 for the prior year, the certified taxable valuation under
14 section 13-509 for the current year, and the percentage increase or
15 decrease in such valuations from the prior year to the current year; the
16 dollar amount of the prior year's tax request and the property tax rate
17 that was necessary to fund that tax request; the property tax rate that
18 would be necessary to fund last year's tax request if applied to the
19 current year's valuation; the proposed dollar amount of the tax request
20 for the current year and the property tax rate that will be necessary to
21 fund that tax request; the percentage increase or decrease in the
22 property tax rate from the prior year to the current year; and the
23 percentage increase or decrease in the total operating budget from the
24 prior year to the current year.

25 (5) ~~(4)~~ Any resolution or ordinance setting a political
26 subdivision's property tax request under this section at an amount that
27 exceeds the political subdivision's property tax request in the prior
28 year shall include, but not be limited to, the following information:

- 29 (a) The name of the political subdivision;
30 (b) The amount of the property tax request;
31 (c) The following statements:

1 (i) The total assessed value of property differs from last year's
2 total assessed value by percent;

3 (ii) The tax rate which would levy the same amount of property taxes
4 as last year, when multiplied by the new total assessed value of
5 property, would be \$..... per \$100 of assessed value;

6 (iii) The (name of political subdivision) proposes to adopt a
7 property tax request that will cause its tax rate to be \$..... per \$100
8 of assessed value; and

9 (iv) Based on the proposed property tax request and changes in other
10 revenue, the total operating budget of (name of political subdivision)
11 will (increase or decrease) last year's budget by percent; and

12 (d) The record vote of the governing body in passing such resolution
13 or ordinance.

14 ~~(6) (5)~~ Any resolution or ordinance setting a property tax request
15 under this section shall be certified and forwarded to the county clerk
16 on or before October 15 of the year for which the tax request is to
17 apply.

18 **Sec. 18.** (1) Each county and each city or school district levying a
19 tax on property within a county shall participate in a joint public
20 hearing. Each such political subdivision shall designate one
21 representative to attend the joint public hearing on behalf of the
22 political subdivision. If a political subdivision includes area in more
23 than one county, the political subdivision shall be deemed to be within
24 the county in which the political subdivision's principal headquarters
25 are located. At such hearing, there shall be no items on the agenda other
26 than discussion on each political subdivision's budget process and
27 preliminary information on relevant data that would impact the political
28 subdivision's budget in the current year.

29 (2) At least one voting member of the governing body of each
30 participating political subdivision shall attend the joint public
31 hearing. The county assessor of the county in which the joint public

1 hearing is being held shall also attend the hearing. The presence of a
2 quorum or the participation of elected officials at the joint public
3 hearing does not constitute a meeting as defined by section 84-1409 of
4 the Open Meetings Act.

5 (3) The joint public hearing shall be held on or after July 1 and
6 prior to July 15 and before any of the participating political
7 subdivisions file their adopted budget statement pursuant to section
8 13-508.

9 (4) The joint public hearing shall be held after 6 p.m. local time
10 on the relevant date.

11 (5) The joint public hearing shall be organized by the county clerk
12 or his or her designee. At the joint public hearing, the designated
13 representative of each political subdivision shall give a brief
14 presentation on the budget process, how the budget affects the property
15 tax request, information about the prior year's budget and property tax
16 request, and any preliminary information about factors that may affect
17 the current year's budget as may be known to the political subdivision.

18 (6) Any member of the public shall be allowed to speak at the joint
19 public hearing and shall be given a reasonable amount of time to do so.

20 (7)(a) After completion of the joint public hearing, the county
21 clerk, or his or her designee, shall prepare a report which shall
22 include:

23 (i) The name of each political subdivision that participated in the
24 joint public hearing;

25 (ii) The names of the designated representatives of the political
26 subdivisions participating in the joint public hearing;

27 (iii) The name and address of each individual who spoke at the joint
28 public hearing, unless the address requirement is waived to protect the
29 security of the individual, and the name of any organization represented
30 by each such individual; and

31 (iv) The number of individuals who signed in to attend the joint

1 public hearing.

2 (b) Such report shall be delivered to the political subdivisions
3 participating in the joint public hearing within ten days after such
4 hearing.

5 **Sec. 19.** Section 77-1776, Revised Statutes Cumulative Supplement,
6 2024, is amended to read:

7 77-1776 Any political subdivision which has received proceeds from a
8 levy imposed on all taxable property within an entire county which is in
9 excess of that requested by the political subdivision under section
10 77-1632 ~~the Property Tax Request Act~~ as a result of a clerical error or
11 mistake shall, in the fiscal year following receipt, return the excess
12 tax collections, net of the collection fee, to the county. By July 31 of
13 the fiscal year following the receipt of any excess tax collections, the
14 county treasurer shall certify to the political subdivision the amount to
15 be returned. For fiscal years beginning prior to July 1, 2025, such
16 excess tax collections shall be restricted funds in the budget of the
17 county that receives the funds under section 13-518.

18 **Sec. 20.** Section 77-2716, Revised Statutes Supplement, 2025, is
19 amended to read:

20 77-2716 (1) The following adjustments to federal adjusted gross
21 income or, for corporations and fiduciaries, federal taxable income shall
22 be made for interest or dividends received:

23 (a)(i) There shall be subtracted interest or dividends received by
24 the owner of obligations of the United States and its territories and
25 possessions or of any authority, commission, or instrumentality of the
26 United States to the extent includable in gross income for federal income
27 tax purposes but exempt from state income taxes under the laws of the
28 United States; and

29 (ii) There shall be subtracted interest received by the owner of
30 obligations of the State of Nebraska or its political subdivisions or
31 authorities which are Build America Bonds to the extent includable in

1 gross income for federal income tax purposes;

2 (b) There shall be subtracted that portion of the total dividends
3 and other income received from a regulated investment company which is
4 attributable to obligations described in subdivision (a) of this
5 subsection as reported to the recipient by the regulated investment
6 company;

7 (c) There shall be added interest or dividends received by the owner
8 of obligations of the District of Columbia, other states of the United
9 States, or their political subdivisions, authorities, commissions, or
10 instrumentalities to the extent excluded in the computation of gross
11 income for federal income tax purposes except that such interest or
12 dividends shall not be added if received by a corporation which is a
13 regulated investment company;

14 (d) There shall be added that portion of the total dividends and
15 other income received from a regulated investment company which is
16 attributable to obligations described in subdivision (c) of this
17 subsection and excluded for federal income tax purposes as reported to
18 the recipient by the regulated investment company; and

19 (e)(i) Any amount subtracted under this subsection shall be reduced
20 by any interest on indebtedness incurred to carry the obligations or
21 securities described in this subsection or the investment in the
22 regulated investment company and by any expenses incurred in the
23 production of interest or dividend income described in this subsection to
24 the extent that such expenses, including amortizable bond premiums, are
25 deductible in determining federal taxable income.

26 (ii) Any amount added under this subsection shall be reduced by any
27 expenses incurred in the production of such income to the extent
28 disallowed in the computation of federal taxable income.

29 (2) There shall be allowed a net operating loss derived from or
30 connected with Nebraska sources computed under rules and regulations
31 adopted and promulgated by the Tax Commissioner consistent, to the extent

1 possible under the Nebraska Revenue Act of 1967, with the laws of the
2 United States. For a resident individual, estate, or trust, the net
3 operating loss computed on the federal income tax return shall be
4 adjusted by the modifications contained in this section. For a
5 nonresident individual, estate, or trust or for a partial-year resident
6 individual, the net operating loss computed on the federal return shall
7 be adjusted by the modifications contained in this section and any
8 carryovers or carrybacks shall be limited to the portion of the loss
9 derived from or connected with Nebraska sources.

10 (3) There shall be subtracted from federal adjusted gross income for
11 all taxable years beginning on or after January 1, 1987, the amount of
12 any state income tax refund to the extent such refund was deducted under
13 the Internal Revenue Code, was not allowed in the computation of the tax
14 due under the Nebraska Revenue Act of 1967, and is included in federal
15 adjusted gross income.

16 (4) Federal adjusted gross income, or, for a fiduciary, federal
17 taxable income shall be modified to exclude the portion of the income or
18 loss received from a small business corporation with an election in
19 effect under subchapter S of the Internal Revenue Code or from a limited
20 liability company organized pursuant to the Nebraska Uniform Limited
21 Liability Company Act that is not derived from or connected with Nebraska
22 sources as determined in section 77-2734.01.

23 (5) There shall be subtracted from federal adjusted gross income or,
24 for corporations and fiduciaries, federal taxable income dividends
25 received or deemed to be received from corporations which are not subject
26 to the Internal Revenue Code.

27 (6) There shall be subtracted from federal taxable income a portion
28 of the income earned by a corporation subject to the Internal Revenue
29 Code of 1986 that is actually taxed by a foreign country or one of its
30 political subdivisions at a rate in excess of the maximum federal tax
31 rate for corporations. The taxpayer may make the computation for each

1 foreign country or for groups of foreign countries. The portion of the
2 taxes that may be deducted shall be computed in the following manner:

3 (a) The amount of federal taxable income from operations within a
4 foreign taxing jurisdiction shall be reduced by the amount of taxes
5 actually paid to the foreign jurisdiction that are not deductible solely
6 because the foreign tax credit was elected on the federal income tax
7 return;

8 (b) The amount of after-tax income shall be divided by one minus the
9 maximum tax rate for corporations in the Internal Revenue Code; and

10 (c) The result of the calculation in subdivision (b) of this
11 subsection shall be subtracted from the amount of federal taxable income
12 used in subdivision (a) of this subsection. The result of such
13 calculation, if greater than zero, shall be subtracted from federal
14 taxable income.

15 (7) Federal adjusted gross income shall be modified to exclude any
16 amount repaid by the taxpayer for which a reduction in federal tax is
17 allowed under section 1341(a)(5) of the Internal Revenue Code.

18 (8)(a) Federal adjusted gross income or, for corporations and
19 fiduciaries, federal taxable income shall be reduced, to the extent
20 included, by income from interest, earnings, and state contributions
21 received from the Nebraska educational savings plan trust as provided in
22 sections 77-1415 to 77-1430 and any account established under the
23 achieving a better life experience program as provided in sections
24 77-1401 to 77-1409.

25 (b) Federal adjusted gross income or, for corporations and
26 fiduciaries, federal taxable income shall be reduced by any contributions
27 as a participant in the Nebraska educational savings plan trust, any
28 contributions to an account established under the achieving a better life
29 experience program made for the benefit of a beneficiary as provided in
30 sections 77-1401 to 77-1409, or any contributions to the Give to Enable
31 Support Cash Fund as provided in the Give to Enable Support Act, to the

1 extent not deducted for federal income tax purposes, but not to exceed
2 five thousand dollars per married filing separate return or ten thousand
3 dollars for any other return. With respect to a qualified rollover within
4 the meaning of section 529 of the Internal Revenue Code from another
5 state's plan, any interest, earnings, and state contributions received
6 from the other state's educational savings plan which is qualified under
7 section 529 of the code shall qualify for the reduction provided in this
8 subdivision. For contributions by a custodian of a custodial account
9 including rollovers from another custodial account, the reduction shall
10 only apply to funds added to the custodial account after January 1, 2014.

11 (c) For taxable years beginning or deemed to begin on or after
12 January 1, 2021, under the Internal Revenue Code of 1986, as amended,
13 federal adjusted gross income shall be reduced, to the extent included in
14 the adjusted gross income of an individual, by the amount of any
15 contribution made by the individual's employer into an account under the
16 Nebraska educational savings plan trust owned by the individual, not to
17 exceed five thousand dollars per married filing separate return or ten
18 thousand dollars for any other return.

19 (d) Federal adjusted gross income or, for corporations and
20 fiduciaries, federal taxable income shall be increased by:

21 (i) The amount resulting from the cancellation of a participation
22 agreement refunded to the taxpayer as a participant in the Nebraska
23 educational savings plan trust to the extent previously deducted under
24 subdivision (8)(b) of this section; and

25 (ii) The amount of any withdrawals by the owner of an account
26 established under the achieving a better life experience program as
27 provided in sections 77-1401 to 77-1409 for nonqualified expenses to the
28 extent previously deducted under subdivision (8)(b) of this section.

29 (9)(a) For income tax returns filed after September 10, 2001, for
30 taxable years beginning or deemed to begin before January 1, 2006, under
31 the Internal Revenue Code of 1986, as amended, federal adjusted gross

1 income or, for corporations and fiduciaries, federal taxable income shall
2 be increased by eighty-five percent of any amount of any federal bonus
3 depreciation received under the federal Job Creation and Worker
4 Assistance Act of 2002 or the federal Jobs and Growth Tax Act of 2003,
5 under section 168(k) or section 1400L of the Internal Revenue Code of
6 1986, as amended, for assets placed in service after September 10, 2001,
7 and before December 31, 2005.

8 (b) For a partnership, limited liability company, cooperative,
9 including any cooperative exempt from income taxes under section 521 of
10 the Internal Revenue Code of 1986, as amended, limited cooperative
11 association, subchapter S corporation, or joint venture, the increase
12 shall be distributed to the partners, members, shareholders, patrons, or
13 beneficiaries in the same manner as income is distributed for use against
14 their income tax liabilities.

15 (c) For a corporation with a unitary business having activity both
16 inside and outside the state, the increase shall be apportioned to
17 Nebraska in the same manner as income is apportioned to the state by
18 section 77-2734.05.

19 (d) The amount of bonus depreciation added to federal adjusted gross
20 income or, for corporations and fiduciaries, federal taxable income by
21 this subsection shall be subtracted in a later taxable year. Twenty
22 percent of the total amount of bonus depreciation added back by this
23 subsection for tax years beginning or deemed to begin before January 1,
24 2003, under the Internal Revenue Code of 1986, as amended, may be
25 subtracted in the first taxable year beginning or deemed to begin on or
26 after January 1, 2005, under the Internal Revenue Code of 1986, as
27 amended, and twenty percent in each of the next four following taxable
28 years. Twenty percent of the total amount of bonus depreciation added
29 back by this subsection for tax years beginning or deemed to begin on or
30 after January 1, 2003, may be subtracted in the first taxable year
31 beginning or deemed to begin on or after January 1, 2006, under the

1 Internal Revenue Code of 1986, as amended, and twenty percent in each of
2 the next four following taxable years.

3 (10) For taxable years beginning or deemed to begin on or after
4 January 1, 2003, and before January 1, 2006, under the Internal Revenue
5 Code of 1986, as amended, federal adjusted gross income or, for
6 corporations and fiduciaries, federal taxable income shall be increased
7 by the amount of any capital investment that is expensed under section
8 179 of the Internal Revenue Code of 1986, as amended, that is in excess
9 of twenty-five thousand dollars that is allowed under the federal Jobs
10 and Growth Tax Act of 2003. Twenty percent of the total amount of
11 expensing added back by this subsection for tax years beginning or deemed
12 to begin on or after January 1, 2003, may be subtracted in the first
13 taxable year beginning or deemed to begin on or after January 1, 2006,
14 under the Internal Revenue Code of 1986, as amended, and twenty percent
15 in each of the next four following tax years.

16 (11)(a) For taxable years beginning or deemed to begin before
17 January 1, 2018, under the Internal Revenue Code of 1986, as amended,
18 federal adjusted gross income shall be reduced by contributions, up to
19 two thousand dollars per married filing jointly return or one thousand
20 dollars for any other return, and any investment earnings made as a
21 participant in the Nebraska long-term care savings plan under the Long-
22 Term Care Savings Plan Act, to the extent not deducted for federal income
23 tax purposes.

24 (b) For taxable years beginning or deemed to begin before January 1,
25 2018, under the Internal Revenue Code of 1986, as amended, federal
26 adjusted gross income shall be increased by the withdrawals made as a
27 participant in the Nebraska long-term care savings plan under the act by
28 a person who is not a qualified individual or for any reason other than
29 transfer of funds to a spouse, long-term care expenses, long-term care
30 insurance premiums, or death of the participant, including withdrawals
31 made by reason of cancellation of the participation agreement, to the

1 extent previously deducted as a contribution or as investment earnings.

2 (12) There shall be added to federal adjusted gross income for
3 individuals, estates, and trusts any amount taken as a credit for
4 franchise tax paid by a financial institution under sections 77-3801 to
5 77-3807 as allowed by subsection (5) of section 77-2715.07.

6 (13)(a) For taxable years beginning or deemed to begin on or after
7 January 1, 2015, and before January 1, 2024, under the Internal Revenue
8 Code of 1986, as amended, federal adjusted gross income shall be reduced
9 by the amount received as benefits under the federal Social Security Act
10 which are included in the federal adjusted gross income if:

11 (i) For taxpayers filing a married filing joint return, federal
12 adjusted gross income is fifty-eight thousand dollars or less; or

13 (ii) For taxpayers filing any other return, federal adjusted gross
14 income is forty-three thousand dollars or less.

15 (b) For taxable years beginning or deemed to begin on or after
16 January 1, 2020, and before January 1, 2024, under the Internal Revenue
17 Code of 1986, as amended, the Tax Commissioner shall adjust the dollar
18 amounts provided in subdivisions (13)(a)(i) and (ii) of this section by
19 the same percentage used to adjust individual income tax brackets under
20 subsection (3) of section 77-2715.03.

21 (c) For taxable years beginning or deemed to begin on or after
22 January 1, 2021, and before January 1, 2024, under the Internal Revenue
23 Code of 1986, as amended, a taxpayer may claim the reduction to federal
24 adjusted gross income allowed under this subsection or the reduction to
25 federal adjusted gross income allowed under subsection (14) of this
26 section, whichever provides the greater reduction.

27 (14)(a) For taxable years beginning or deemed to begin on or after
28 January 1, 2021, under the Internal Revenue Code of 1986, as amended,
29 federal adjusted gross income shall be reduced by a percentage of the
30 social security benefits that are received and included in federal
31 adjusted gross income. The pertinent percentage shall be:

1 (i) Five percent for taxable years beginning or deemed to begin on
2 or after January 1, 2021, and before January 1, 2022, under the Internal
3 Revenue Code of 1986, as amended;

4 (ii) Forty percent for taxable years beginning or deemed to begin on
5 or after January 1, 2022, and before January 1, 2023, under the Internal
6 Revenue Code of 1986, as amended;

7 (iii) Sixty percent for taxable years beginning or deemed to begin
8 on or after January 1, 2023, and before January 1, 2024, under the
9 Internal Revenue Code of 1986, as amended; and

10 (iv) One hundred percent for taxable years beginning or deemed to
11 begin on or after January 1, 2024, under the Internal Revenue Code of
12 1986, as amended.

13 (b) For purposes of this subsection, social security benefits means
14 benefits received under the federal Social Security Act.

15 (c) For taxable years beginning or deemed to begin on or after
16 January 1, 2021, and before January 1, 2024, under the Internal Revenue
17 Code of 1986, as amended, a taxpayer may claim the reduction to federal
18 adjusted gross income allowed under this subsection or the reduction to
19 federal adjusted gross income allowed under subsection (13) of this
20 section, whichever provides the greater reduction.

21 (15)(a) For taxable years beginning or deemed to begin on or after
22 January 1, 2015, and before January 1, 2022, under the Internal Revenue
23 Code of 1986, as amended, an individual may make a one-time election
24 within two calendar years after the date of his or her retirement from
25 the military to exclude income received as a military retirement benefit
26 by the individual to the extent included in federal adjusted gross income
27 and as provided in this subdivision. The individual may elect to exclude
28 forty percent of his or her military retirement benefit income for seven
29 consecutive taxable years beginning with the year in which the election
30 is made or may elect to exclude fifteen percent of his or her military
31 retirement benefit income for all taxable years beginning with the year

1 in which he or she turns sixty-seven years of age.

2 (b) For taxable years beginning or deemed to begin on or after
3 January 1, 2022, under the Internal Revenue Code of 1986, as amended, an
4 individual may exclude one hundred percent of the military retirement
5 benefit income received by such individual to the extent included in
6 federal adjusted gross income.

7 (c) For purposes of this subsection, military retirement benefit
8 means retirement benefits that are periodic payments attributable to
9 service in the uniformed services of the United States for personal
10 services performed by an individual prior to his or her retirement. The
11 term includes retirement benefits described in this subdivision that are
12 reported to the individual on either:

13 (i) An Internal Revenue Service Form 1099-R received from the United
14 States Department of Defense; or

15 (ii) An Internal Revenue Service Form 1099-R received from the
16 United States Office of Personnel Management.

17 (16) For taxable years beginning or deemed to begin on or after
18 January 1, 2021, under the Internal Revenue Code of 1986, as amended,
19 federal adjusted gross income shall be reduced by the amount received as
20 a Segal AmeriCorps Education Award, to the extent such amount is included
21 in federal adjusted gross income.

22 (17) For taxable years beginning or deemed to begin on or after
23 January 1, 2022, under the Internal Revenue Code of 1986, as amended,
24 federal adjusted gross income shall be reduced by the amount received by
25 or on behalf of a firefighter for cancer benefits under the Firefighter
26 Cancer Benefits Act to the extent included in federal adjusted gross
27 income.

28 (18) There shall be subtracted from the federal adjusted gross
29 income of individuals any amount received by the individual as student
30 loan repayment assistance under the Teach in Nebraska Today Act, to the
31 extent such amount is included in federal adjusted gross income.

1 (19) For taxable years beginning or deemed to begin on or after
2 January 1, 2023, under the Internal Revenue Code of 1986, as amended, a
3 retired individual who was employed full time as a firefighter or
4 certified law enforcement officer for at least twenty years and who is at
5 least sixty years of age as of the end of the taxable year may reduce his
6 or her federal adjusted gross income by the amount of health insurance
7 premiums paid by such individual during the taxable year, to the extent
8 such premiums were not already deducted in determining the individual's
9 federal adjusted gross income.

10 (20) For taxable years beginning or deemed to begin on or after
11 January 1, 2024, under the Internal Revenue Code of 1986, as amended, an
12 individual may reduce his or her federal adjusted gross income by the
13 amounts received as annuities under the Civil Service Retirement System
14 which were earned for being employed by the federal government, to the
15 extent such amounts are included in federal adjusted gross income.

16 (21) For taxable years beginning or deemed to begin on or after
17 January 1, 2025, under the Internal Revenue Code of 1986, as amended, an
18 individual who is a member of the Nebraska National Guard may exclude one
19 hundred percent of the income received from any of the following sources
20 to the extent such income is included in the individual's federal
21 adjusted gross income:

22 (a) Serving in a 32 U.S.C. duty status such as members attending
23 drills, annual training, and military schools and members who are serving
24 in a 32 U.S.C. active guard reserve or active duty for operational
25 support duty status;

26 (b) Employment as a 32 U.S.C. federal dual-status technician with
27 the Nebraska National Guard; or

28 (c) Serving in a state active duty status.

29 (22)(a) For taxable years beginning or deemed to begin on or after
30 January 1, 2024, under the Internal Revenue Code of 1986, as amended, an
31 individual may reduce his or her federal adjusted gross income by the

1 amount of interest and principal balance of medical debt discharged under
2 the Medical Debt Relief Act, to the extent included in such individual's
3 federal adjusted gross income.

4 (b) For taxable years beginning or deemed to begin on or after
5 January 1, 2024, under the Internal Revenue Code of 1986, as amended,
6 federal adjusted gross income or, for corporations and fiduciaries,
7 federal taxable income shall be reduced by the amount of contributions
8 made to the Medical Debt Relief Fund, to the extent not deducted for
9 federal income tax purposes.

10 (23) For taxable years beginning or deemed to begin on or after
11 January 1, 2025, under the Internal Revenue Code of 1986, as amended, an
12 individual who is a qualifying employee as defined in section 77-3108 may
13 reduce his or her federal adjusted gross income by the amount allowed
14 under section 77-3111.

15 (24) For taxable years beginning or deemed to begin on or after
16 January 1, 2026, under the Internal Revenue Code of 1986, as amended,
17 federal adjusted gross income or, for corporations and fiduciaries,
18 federal taxable income shall be reduced by the amounts allowed to be
19 deducted pursuant to section 77-27,242.

20 (25) There shall be added to federal adjusted gross income or, for
21 corporations and fiduciaries, federal taxable income for all taxable
22 years beginning on or after January 1, 2025, the amount of any net
23 capital loss that is derived from the sale or exchange of gold or silver
24 bullion to the extent such loss is included in federal adjusted gross
25 income except that such loss shall not be added if the loss is derived
26 from the sale of bullion as a taxable distribution from any retirement
27 plan account that holds gold or silver bullion. For the purposes of this
28 subsection, bullion has the same meaning as in section 77-2704.66.

29 (26) There shall be subtracted from federal adjusted gross income
30 or, for corporations and fiduciaries, federal taxable income for all
31 taxable years beginning on or after January 1, 2025, the amount of any

1 net capital gain that is derived from the sale or exchange of gold or
2 silver bullion to the extent such gain is included in federal adjusted
3 gross income except that such gain shall not be subtracted if the gain is
4 derived from the sale of bullion as a taxable distribution from any
5 retirement plan account that holds gold or silver bullion. For the
6 purposes of this subsection, bullion has the same meaning as in section
7 77-2704.66.

8 (27)(a) For taxable years beginning or deemed to begin on or after
9 January 1, 2027, under the Internal Revenue Code of 1986, as amended,
10 federal adjusted gross income shall be reduced by the amount contributed
11 to a first-time home buyer savings account under the First-Time Home
12 Buyer Savings Account Act not to exceed five thousand dollars for
13 individual taxpayers or ten thousand dollars for married filing jointly
14 taxpayers and, to the extent included, by an amount equal to any interest
15 and other income earned during the taxable year on the investment of
16 money in a first-time home buyer savings account. Any subtraction taken
17 under this subdivision is subject to recapture under subdivision (27)(b)
18 of this section.

19 (b) For taxable years beginning or deemed to begin on or after
20 January 1, 2027, under the Internal Revenue Code of 1986, as amended,
21 federal adjusted gross income shall be increased by any amount recaptured
22 for the taxable year pursuant to section 5 of this act.

23 **Sec. 21.** Sections 1, 2, 3, 4, 5, 6, 7, 8, 13, 14, 15, 16, 17, 18,
24 19, 20, 23, and 24 of this act become operative three calendar months
25 after the adjournment of this legislative session. The other sections of
26 this act become operative on their effective date.

27 **Sec. 22.** Original section 13-3105, Reissue Revised Statutes of
28 Nebraska, section 13-3108, Revised Statutes Cumulative Supplement, 2024,
29 and sections 13-3103 and 13-3106, Revised Statutes Supplement, 2025, are
30 repealed.

31 **Sec. 23.** Original section 77-1315, Reissue Revised Statutes of

1 Nebraska, sections 77-1502, 77-1601, and 77-1776, Revised Statutes
2 Cumulative Supplement, 2024, and sections 13-3403, 77-1632, and 77-2716,
3 Revised Statutes Supplement, 2025, are repealed.

4 **Sec. 24.** The following sections are outright repealed: Sections
5 77-1630 and 77-1634, Revised Statutes Cumulative Supplement, 2024, and
6 sections 77-1631 and 77-1633, Revised Statutes Supplement, 2025.

7 **Sec. 25.** Since an emergency exists, this act takes effect when
8 passed and approved according to law.