

ONE HUNDRED NINTH LEGISLATURE - SECOND SESSION - 2026
COMMITTEE STATEMENT
LB938

Hearing Date: Thursday February 12, 2026
Committee On: Revenue
Introducer: Hallstrom
One Liner: Adopt the First-Time Home Buyer Savings Account Act and provide for income tax adjustments

Roll Call Vote - Final Committee Action:
Advanced to General File

Vote Results:

Aye: 8 Senators von Gillern, Bostar, Dungan, Ibach, Jacobson, Murman,
Kauth, Sorrentino

Nay:

Absent:

Present Not Voting:

Testimony:

Proponents:

Senator Bob Hallstrom
Joey Spellerberg
Luke Wenz
Dexter Schrodt

Scott Smith
Justin Brady

Charles Wesche

Shannon Harner

Opponents:

Neutral:

* ADA Accommodation Written Testimony

Representing:

Opening Presenter
State Treasurer
Platte Institute
Nebraska Independent Community Bankers,
Nebraska Economic Developers Association
Nebraska Bankers Association
Nebraska Realtors Association, Home Builder
Association of Lincoln / Metro Omaha Builders
Association, Nebraska State Home Builders, Habitat
Omaha
NeighborWorks Lincoln, Nebraska Housing
Developers Association
Nebraska Investment Finance Authority

Representing:

Representing:

Summary of purpose and/or changes:

LB 938 creates the First-Time Home Buyer Savings Account Act, which allows individuals or couples to contribute to a future purchase of a primary residence and to deduct such contributions from their federal adjusted gross income (AGI). Contributions are subject to annual and total contribution limits. There is also an annual reporting requirement,



which the Department of Revenue oversees.

Section-by-Section Summary:

Section 1: Names sections 1-8 of the bill as the First-Time Home Buyer Savings Account Act.

Section 2: Legislative declaration of the purpose of the Act.

Section 3: Defines terms for the Act.

Section 4: Allows individuals or couples to create a first-time home buyer savings account beginning January 1, 2027. Outlines procedures for designating beneficiaries, restrictions for account holders and beneficiaries, and investment limits. The investment limits are \$25,000 for single filers and \$50,000 for joint filers with an annual investment limit of \$5,000 and \$10,000, respectively.

Section 5: Outlines what money invested in a first-time home buyer savings account can and can not be used for. Sets penalties for unauthorized withdrawals.

Section 6: Requires the Department of Revenue to create an annual report form which account holders must file with their annual state income tax returns.

Section 7: Outlines what financial institutions are not required to do, or are not liable for, regarding first-time home buyer savings accounts.

Section 8: Authorizes the Department of Revenue to adopt and promulgate rules and regulations to carry out the Act.

Section 9: Amends section 77-2716 to add a subsection allowing federal AGI to be reduced dollar for dollar to the amount contributed to a first-time home buyer savings account up to \$5,000 a year for single filers or \$10,000 a year for joint filers. Also allows for recaptured funds to be added to a taxpayers' federal AGI.

Section 10: Repealer.

R. Brad von Gillern, Chairperson

