

LEGISLATURE OF NEBRASKA
ONE HUNDRED NINTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1260

Introduced by Clements, 2.

Read first time January 21, 2026

Committee: Transportation and Telecommunications

1 A BILL FOR AN ACT relating to taxation; to amend sections 60-3,186,
2 60-3,187, 60-3,190, and 79-1018.01, Reissue Revised Statutes of
3 Nebraska; to change the percentage of motor vehicle tax proceeds and
4 collected fees that are retained by county treasurers; to change the
5 allocation of motor vehicle tax proceeds and collected fees; to
6 provide for a motor vehicle tax supplement; to change and provide
7 motor vehicle tax and fee schedules; to change the local system
8 formula resources under the Tax Equity and Educational Opportunities
9 Support Act; and to repeal the original sections.

10 Be it enacted by the people of the State of Nebraska,

1 **Section 1.** Section 60-3,186, Reissue Revised Statutes of Nebraska,
2 is amended to read:

3 60-3,186 (1) The department shall annually determine the motor
4 vehicle tax on each motor vehicle registered pursuant to section 60-3,187
5 and shall cause a notice of the amount to be delivered to the registrant.
6 The notice may be delivered to the registrant at the address shown upon
7 his or her registration certificate or the registrant's most recent
8 address according to information received by the department from the
9 National Change of Address program of the United States Postal Service or
10 delivered electronically to the registrant if the registrant has provided
11 electronic contact information to the department. The notice shall be
12 provided on or before the first day of the last month of the registration
13 period.

14 (2)(a) The motor vehicle tax, motor vehicle fee, registration fee,
15 sales tax, and any other applicable taxes and fees shall be paid to the
16 county treasurer prior to the registration of the motor vehicle for the
17 following registration period. If the motor vehicle being registered has
18 been transferred as a gift or for a nominal amount, any sales tax owed by
19 the transferor on the purchase of the motor vehicle shall have been paid
20 or be paid to the county treasurer prior to the registration of the motor
21 vehicle for the following registration period.

22 (b)(i) The county treasurer shall retain the following percent of
23 the motor vehicle tax proceeds for costs incurred by such county
24 treasurer:

25 (A) For motor vehicle tax proceeds paid prior to July 1, 2028, one
26 percent; and

27 (B) For motor vehicle tax proceeds paid on or after July 1, 2028,
28 two percent.

29 (ii) The county treasurer shall transfer the following percent of
30 the motor vehicle tax proceeds to the State Treasurer for credit to the
31 Vehicle Title and Registration System Replacement and Maintenance Cash

1 Fund:

2 (A) For motor vehicle tax proceeds paid prior to July 1, 2028, one
3 percent; and

4 (B) For motor vehicle tax proceeds paid on or after July 1, 2028,
5 one and two-tenths of one percent.

6 (iii) The (b) After retaining one percent of the motor vehicle tax
7 proceeds collected for costs incurred by the county treasurer, and after
8 transferring one percent of the motor vehicle tax proceeds collected to
9 the State Treasurer for credit to the Vehicle Title and Registration
10 System Replacement and Maintenance Cash Fund, the remaining motor vehicle
11 tax proceeds that remain after deducting the percents specified in
12 subdivisions (b)(i) and (ii) of this subsection shall be allocated as
13 provided in subdivision (c) of this subsection to each county, local
14 school system, school district, city, and village in the tax district in
15 which the motor vehicle has situs.

16 (c) The remaining motor vehicle tax proceeds shall be allocated as
17 follows:

18 (i) For motor vehicle tax proceeds paid prior to July 1, 2028: (A)
19 (c)(i) Twenty-two percent of the remaining motor vehicle tax proceeds
20 shall be allocated to the county, (B) (ii) sixty percent shall be
21 allocated to the local school system or school district, and (C) (iii)
22 eighteen percent shall be allocated to the city or village, except that
23 (I) (A) if the tax district is not in a city or village, forty percent
24 shall be allocated to the county, and (II) (B) in counties containing a
25 city of the metropolitan class, eighteen percent shall be allocated to
26 the county and twenty-two percent shall be allocated to the city or
27 village.

28 (ii) For motor vehicle tax proceeds paid on or after July 1, 2028:

29 (A) If the tax district is in a city of the metropolitan class:

30 (I) Twenty-six percent to the county;

31 (II) Forty-eight percent to the local school system or school

1 district; and

2 (III) Twenty-six percent to the city of the metropolitan class;

3 (B) If the tax district is in a city other than a city of the
4 metropolitan class or in a village:

5 (I) Thirty-one and one-half of one percent to the county;

6 (II) Forty-eight percent to the local school system or school
7 district; and

8 (III) Twenty and one-half of one percent to the city or village; and

9 (C) If the tax district is not described in subdivision (c)(ii)(A)
10 or (B) of this subsection:

11 (I) Fifty-two percent to the county; and

12 (II) Forty-eight percent to the local school system or school
13 district.

14 (d) The amount allocated to a local school system shall be
15 distributed to school districts in the same manner as property taxes.

16 (3) Proceeds from the motor vehicle tax shall be treated as property
17 tax revenue for purposes of expenditure limitations, matching of state or
18 federal funds, and other purposes.

19 (4) Beginning in October 2028, on or before the twentieth day of
20 each January, April, July, and October, the department shall:

21 (a) Calculate the motor vehicle tax supplement that shall be paid to
22 each local school system or school district. Such supplement shall be
23 equal to forty and eight-tenths of one percent of the motor vehicle tax
24 allocated to such local school system or school district pursuant to this
25 section for the preceding three months; and

26 (b) Provide a report to the State Treasurer. Each such report shall
27 indicate the amount of the motor vehicle tax supplement to be paid to
28 each local school system or school district that is calculated under this
29 subsection.

30 (5) Within five business days after receiving a report under
31 subdivision (4)(b) of this section, the State Treasurer shall pay, to

1 each local school system or school district, the motor vehicle tax
2 supplements indicated in the report.

3 (6) Beginning with fiscal year 2028-29, it is the intent of the
4 Legislature to appropriate each fiscal year an amount sufficient to pay
5 the motor vehicle tax supplements calculated under this section.

6 **Sec. 2.** Section 60-3,187, Reissue Revised Statutes of Nebraska, is
7 amended to read:

8 60-3,187 (1) The motor vehicle tax schedules are set out in this
9 section.

10 (2) The motor vehicle tax shall be calculated by multiplying the
11 base tax times the fraction which corresponds to the age category of the
12 vehicle as shown in the following table:

YEAR	FRACTION
First	1.00
<u>Second</u>	<u>0.80</u>
Second	0.90
<u>Third</u>	<u>0.65</u>
Third	0.80
<u>Fourth</u>	<u>0.55</u>
Fourth	0.70
<u>Fifth</u>	<u>0.48</u>
Fifth	0.60
<u>Sixth</u>	<u>0.41</u>
Sixth	0.51
<u>Seventh</u>	<u>0.35</u>
Seventh	0.42
<u>Eighth</u>	<u>0.29</u>
Eighth	0.33
<u>Ninth</u>	<u>0.23</u>
Ninth	0.24

1	<u>Tenth</u>	<u>0.14</u>
2	<u>Eleventh</u>	<u>0.10</u>
3	<u>Tenth and Eleventh</u>	<u>0.15</u>
4	<u>Twelfth</u>	<u>0.06</u>
5	<u>Thirteenth</u>	<u>0.04</u>
6	<u>Twelfth and Thirteenth</u>	<u>0.07</u>
7	<u>Fourteenth and older</u>	<u>0.02</u>
8	<u>Fourteenth and older</u>	<u>0.00</u>

9 (3) The base tax shall be:

10 (a) Automobiles, autocycles, and motorcycles – An amount determined
11 using the following table:

	Value when new	Base tax
12		
13	Up to \$3,999	\$ 25
14	\$4,000 to \$5,999	35
15	\$6,000 to \$7,999	45
16	\$8,000 to \$9,999	60
17	\$10,000 to \$11,999	100
18	\$12,000 to \$13,999	140
19	\$14,000 to \$15,999	180
20	\$16,000 to \$17,999	220
21	\$18,000 to \$19,999	260
22	\$20,000 to \$21,999	300
23	\$22,000 to \$23,999	340
24	\$24,000 to \$25,999	380
25	\$26,000 to \$27,999	420
26	\$28,000 to \$29,999	460
27	\$30,000 to \$31,999	500
28	\$32,000 to \$33,999	540
29	\$34,000 to \$35,999	580
30	\$36,000 to \$37,999	620

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1	\$38,000 to \$39,999	660
2	\$40,000 to \$41,999	700
3	\$42,000 to \$43,999	740
4	\$44,000 to \$45,999	780
5	\$46,000 to \$47,999	820
6	\$48,000 to \$49,999	860
7	\$50,000 to \$51,999	900
8	\$52,000 to \$53,999	940
9	\$54,000 to \$55,999	980
10	\$56,000 to \$57,999	1,020
11	\$58,000 to \$59,999	1,060
12	\$60,000 to \$61,999	1,100
13	\$62,000 to \$63,999	1,140
14	\$64,000 to \$65,999	1,180
15	\$66,000 to \$67,999	1,220
16	\$68,000 to \$69,999	1,260
17	\$70,000 to \$71,999	1,300
18	\$72,000 to \$73,999	1,340
19	\$74,000 to \$75,999	1,380
20	\$76,000 to \$77,999	1,420
21	\$78,000 to \$79,999	1,460
22	\$80,000 to \$81,999	1,500
23	\$82,000 to \$83,999	1,540
24	\$84,000 to \$85,999	1,580
25	\$86,000 to \$87,999	1,620
26	\$88,000 to \$89,999	1,660
27	\$90,000 to \$91,999	1,700
28	\$92,000 to \$93,999	1,740
29	\$94,000 to \$95,999	1,780
30	\$96,000 to \$97,999	1,820

1	<u>\$98,000 to \$99,999</u>	1,860
2	<u>\$100,000 to \$101,999</u>	<u>1,900</u>
3	<u>\$100,000 and over</u>	<u>1,900</u>
4	<u>\$102,000 to \$103,999</u>	<u>1,940</u>
5	<u>\$104,000 to \$105,999</u>	<u>1,980</u>
6	<u>\$106,000 to \$107,999</u>	<u>2,020</u>
7	<u>\$108,000 to \$109,999</u>	<u>2,060</u>
8	<u>\$110,000 to \$111,999</u>	<u>2,100</u>
9	<u>\$112,000 to \$113,999</u>	<u>2,140</u>
10	<u>\$114,000 to \$115,999</u>	<u>2,180</u>
11	<u>\$116,000 to \$117,999</u>	<u>2,220</u>
12	<u>\$118,000 to \$119,999</u>	<u>2,260</u>
13	<u>\$120,000 to \$121,999</u>	<u>2,300</u>
14	<u>\$122,000 to \$123,999</u>	<u>2,340</u>
15	<u>\$124,000 to \$125,999</u>	<u>2,380</u>
16	<u>\$126,000 to \$127,999</u>	<u>2,420</u>
17	<u>\$128,000 to \$129,999</u>	<u>2,460</u>
18	<u>\$130,000 to \$131,999</u>	<u>2,500</u>
19	<u>\$132,000 to \$133,999</u>	<u>2,540</u>
20	<u>\$134,000 to \$135,999</u>	<u>2,580</u>
21	<u>\$136,000 to \$137,999</u>	<u>2,620</u>
22	<u>\$138,000 to \$139,999</u>	<u>2,660</u>
23	<u>\$140,000 to \$141,999</u>	<u>2,700</u>
24	<u>\$142,000 to \$143,999</u>	<u>2,740</u>
25	<u>\$144,000 to \$145,999</u>	<u>2,780</u>
26	<u>\$146,000 to \$147,999</u>	<u>2,820</u>
27	<u>\$148,000 to \$149,999</u>	<u>2,860</u>
28	<u>\$150,000 to \$151,999</u>	<u>2,900</u>
29	<u>\$152,000 to \$153,999</u>	<u>2,940</u>
30	<u>\$154,000 to \$155,999</u>	<u>2,980</u>

1	<u>\$156,000 to \$157,999</u>	<u>3,020</u>
2	<u>\$158,000 to \$159,999</u>	<u>3,060</u>
3	<u>\$160,000 to \$161,999</u>	<u>3,100</u>
4	<u>\$162,000 to \$163,999</u>	<u>3,140</u>
5	<u>\$164,000 to \$165,999</u>	<u>3,180</u>
6	<u>\$166,000 to \$167,999</u>	<u>3,220</u>
7	<u>\$168,000 to \$169,999</u>	<u>3,260</u>
8	<u>\$170,000 to \$171,999</u>	<u>3,300</u>
9	<u>\$172,000 to \$173,999</u>	<u>3,340</u>
10	<u>\$174,000 to \$175,999</u>	<u>3,380</u>
11	<u>\$176,000 to \$177,999</u>	<u>3,420</u>
12	<u>\$178,000 to \$179,999</u>	<u>3,460</u>
13	<u>\$180,000 to \$181,999</u>	<u>3,500</u>
14	<u>\$182,000 to \$183,999</u>	<u>3,540</u>
15	<u>\$184,000 to \$185,999</u>	<u>3,580</u>
16	<u>\$186,000 to \$187,999</u>	<u>3,620</u>
17	<u>\$188,000 to \$189,999</u>	<u>3,660</u>
18	<u>\$190,000 to \$191,999</u>	<u>3,700</u>
19	<u>\$192,000 to \$193,999</u>	<u>3,740</u>
20	<u>\$194,000 to \$195,999</u>	<u>3,780</u>
21	<u>\$196,000 to \$197,999</u>	<u>3,820</u>
22	<u>\$198,000 to \$199,999</u>	<u>3,860</u>
23	<u>\$200,000 and over</u>	<u>3,900</u>

24 (b) Assembled automobiles – \$60
25 (c) Assembled motorcycles other than autocycles – \$25
26 (d) Cabin trailers, up to one thousand pounds – \$10
27 (e) Cabin trailers, one thousand pounds and over and less than two
28 thousand pounds – \$25
29 (f) Cabin trailers, two thousand pounds and over – \$40
30 (g) Recreational vehicles, less than eight thousand pounds – \$160

1 (h) Recreational vehicles, eight thousand pounds and over and less
2 than twelve thousand pounds – \$410

3 (i) Recreational vehicles, twelve thousand pounds and over – \$860

4 (j) Assembled recreational vehicles and buses shall follow the
5 schedules for body type and registered weight

6 (k) Trucks – Over seven tons and less than ten tons – \$360

7 (l) Trucks – Ten tons and over and less than thirteen tons – \$560

8 (m) Trucks – Thirteen tons and over and less than sixteen tons –
9 \$760

10 (n) Trucks – Sixteen tons and over and less than twenty-five tons –
11 \$960

12 (o) Trucks – Twenty-five tons and over – \$1,160

13 (p) Buses – \$360

14 (q) Trailers other than semitrailers – \$10

15 (r) Semitrailers – \$110

16 (s) Former military vehicles – \$50

17 (t) Minitrucks – \$50

18 (u) Low-speed vehicles – \$50

19 (4) For purposes of subsection (3) of this section, truck means all
20 trucks and combinations of trucks except those trucks, trailers, or
21 combinations thereof registered under section 60-3,198, and the tax is
22 based on the gross vehicle weight rating as reported by the manufacturer.

23 (5) Current model year vehicles are designated as first-year motor
24 vehicles for purposes of the schedules.

25 (6) When a motor vehicle is registered which is newer than the
26 current model year by the manufacturer's designation, the motor vehicle
27 is subject to the initial motor vehicle tax in the first registration
28 period and ninety-five percent of the initial motor vehicle tax in the
29 second registration period.

30 (7) Assembled cabin trailers, assembled recreational vehicles, and
31 assembled buses shall be designated as sixth-year motor vehicles in their

1 first year of registration for purposes of the schedules.

2 (8) When a motor vehicle is registered which is required to have a
3 title branded as previous salvage pursuant to section 60-174, the motor
4 vehicle tax shall be reduced by twenty-five percent.

5 **Sec. 3.** Section 60-3,190, Reissue Revised Statutes of Nebraska, is
6 amended to read:

7 60-3,190 (1) A motor vehicle fee is imposed on all motor vehicles
8 registered for operation in this state. An owner of a motor vehicle which
9 is exempt from the imposition of a motor vehicle tax pursuant to section
10 60-3,185 shall also be exempt from the imposition of the motor vehicle
11 fee imposed pursuant to this section.

12 (2) The department shall annually determine the motor vehicle fee on
13 each motor vehicle registered pursuant to this section and shall cause a
14 notice of the amount to be delivered to the registrant. The notice shall
15 be combined with the notice of the motor vehicle tax required by section
16 60-3,186.

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

YEAR	FRACTION
First through fifth	1.00
Sixth through tenth	.70
Eleventh and over	.35

28 (4) The base fee shall be:

29 (a) Automobiles, with a value when new of less than \$20,000, and
30 assembled, reconstructed-designated, and replica-designated automobiles –
31 \$11 \$5

1 (b) Automobiles, with a value when new of \$20,000 through \$39,999 –
2 \$22 \$20
3 (c) Automobiles, with a value when new of \$40,000 or more – \$33 \$30
4 (d) Motorcycles and autocycles – \$11 \$10
5 (e) Recreational vehicles and cabin trailers – \$33 \$10
6 (f) Trucks over seven tons and buses – \$33 \$30
7 (g) Trailers other than semitrailers – \$11 \$10
8 (h) Semitrailers – \$33 \$30
9 (i) Former military vehicles – \$11 \$10
10 (j) Minitrucks – \$11 \$10
11 (k) Low-speed vehicles – \$11 \$10.

12 (4) ~~(5)~~ The motor vehicle tax, motor vehicle fee, and registration
13 fee shall be paid to the county treasurer prior to the registration of
14 the motor vehicle for the following registration period. After retaining
15 two ~~one~~ percent of the motor vehicle fee collected for costs, the
16 remaining proceeds shall be remitted to the State Treasurer for credit to
17 the Motor Vehicle Fee Fund. The State Treasurer shall return money funds
18 from the Motor Vehicle Fee Fund remitted by a county treasurer that is
19 which are needed for refunds or credits authorized by law.

20 (5)~~(a)~~ (6)~~(a)~~ The Motor Vehicle Fee Fund is created. On or before
21 the last day of each calendar quarter, the State Treasurer shall
22 distribute all money funds in the Motor Vehicle Fee Fund as follows: (i)
23 Seventy-four ~~Fifty~~ percent to the county treasurer of each county,
24 amounts in the same proportion as the most recent allocation received by
25 each county from the Highway Allocation Fund; and (ii) twenty-six ~~fifty~~
26 percent to the treasurer of each municipality, amounts in the same
27 proportion as the most recent allocation received by each municipality
28 from the Highway Allocation Fund. Any money in the fund available for
29 investment shall be invested by the state investment officer pursuant to
30 the Nebraska Capital Expansion Act and the Nebraska State Funds
31 Investment Act.

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

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

5 (6) ~~(7)~~ For purposes of subdivisions (3)(a) ~~(4)(a)~~, (b), (c), and
6 (f) of this section, automobiles or trucks includes all trucks and
7 combinations of trucks or truck-tractors, except those trucks, trailers,
8 or semitrailers registered under section 60-3,198, and the fee is based
9 on the gross vehicle weight rating as reported by the manufacturer.

10 (7) ~~(8)~~ Current model year vehicles are designated as first-year
11 motor vehicles for purposes of the schedules.

12 (8) ~~(9)~~ When a motor vehicle is registered which is newer than the
13 current model year by the manufacturer's designation, the motor vehicle
14 is subject to the initial motor vehicle fee for six registration periods.

15 (9) ~~(10)~~ Assembled vehicles other than assembled, reconstructed-
16 designated, or replica-designated automobiles shall follow the schedules
17 for the motor vehicle body type.

18 **Sec. 4.** Section 79-1018.01, Reissue Revised Statutes of Nebraska, is
19 amended to read:

20 79-1018.01 Except as otherwise provided in this section, local
21 system formula resources include other actual receipts available for the
22 funding of general fund operating expenditures as determined by the
23 department for the second school fiscal year immediately preceding the
24 school fiscal year in which aid is to be paid. Other actual receipts
25 include:

26 (1) Public power district sales tax revenue;

27 (2) Fines, penalties, and license money distributed in accordance
28 with Article VII, section 5, of the Constitution of Nebraska and license
29 fees;

30 (3) Tuition receipts from individuals, other districts, or any other
31 source except receipts derived from adult education, receipts derived

1 from summer school tuition, receipts derived from early childhood
2 education tuition, tuition receipts from converted contracts beginning
3 with the calculation of state aid to be distributed in school fiscal year
4 2011-12, and receipts from educational entities as defined in section
5 79-1201.01 for providing distance education courses through the
6 Educational Service Unit Coordinating Council to such educational
7 entities;

8 (4) Transportation receipts;

9 (5) Interest on investments;

10 (6) Other miscellaneous noncategorical local receipts, not including
11 receipts from private foundations, individuals, associations, or
12 charitable organizations;

13 (7) Special education receipts;

14 (8) Special education receipts and non-special-education receipts
15 from the state for wards of the court and wards of the state;

16 (9) All receipts from the temporary school fund. Receipts from the
17 temporary school fund shall only include (a) receipts pursuant to section
18 79-1035 and (b) the receipt of funds pursuant to section 79-1036 for
19 property leased for a public purpose as set forth in subdivision (1)(a)
20 of section 77-202;

21 (10) Motor vehicle tax and motor vehicle tax supplement receipts
22 received;

23 (11) Pro rata motor vehicle license fee receipts;

24 (12) Other miscellaneous state receipts excluding revenue from the
25 textbook loan program authorized by section 79-734;

26 (13) Impact aid entitlements for the school fiscal year which have
27 actually been received by the district to the extent allowed by federal
28 law;

29 (14) All other noncategorical federal receipts;

30 (15) Receipts under the federal Medicare Catastrophic Coverage Act
31 of 1988, as such act existed on January 1, 2014, as authorized pursuant

1 to sections 43-2510 and 43-2511 for services to school-age children,
2 excluding amounts designated as reimbursement for costs associated with
3 the implementation and administration of the billing system pursuant to
4 section 43-2511;

5 (16) Receipts for accelerated or differentiated curriculum programs
6 pursuant to sections 79-1106 to 79-1108.03; and

7 (17) Revenue received from the nameplate capacity tax distributed
8 pursuant to section 77-6204.

9 **Sec. 5.** Original sections 60-3,186, 60-3,187, 60-3,190, and
10 79-1018.01, Reissue Revised Statutes of Nebraska, are repealed.