

LEGISLATURE OF NEBRASKA
ONE HUNDRED NINTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 152

Introduced by Cavanaugh, J., 9.

Read first time January 13, 2025

Committee: Revenue

1 A BILL FOR AN ACT relating to revenue and taxation; to amend sections
2 77-3509.01, 77-3509.03, 77-3510, 77-3514, and 77-3516, Reissue
3 Revised Statutes of Nebraska, and sections 77-3501, 77-3505.06,
4 77-3506.03, 77-3511, 77-3512, 77-3513, 77-3517, 77-3521, 77-3522,
5 77-3523, 77-3529, 77-4212, and 77-7305, Revised Statutes Cumulative
6 Supplement, 2024; to state findings and declarations; to create a
7 homestead exemption; to harmonize provisions; to provide an
8 operative date; and to repeal the original sections.
9 Be it enacted by the people of the State of Nebraska,

1 **Section 1.** Section 77-3501, Revised Statutes Cumulative Supplement,
2 2024, is amended to read:

3 77-3501 For purposes of sections 77-3501 to 77-3529 and section 4 of
4 this act, unless the context otherwise requires, the definitions found in
5 sections 77-3501.01 to 77-3505.06 shall be used.

6 **Sec. 2.** Section 77-3505.06, Revised Statutes Cumulative Supplement,
7 2024, is amended to read:

8 77-3505.06 Occupy means to reside on a property with the intention
9 of maintaining the property as the owner's primary residence. A departure
10 from the property for reasons of health or legal duty shall not
11 disqualify the owner of the property from receiving an exemption under
12 sections 77-3501 to 77-3529 and section 4 of this act, so long as the
13 owner demonstrates an intention to return to the property.

14 **Sec. 3.** Section 77-3506.03, Revised Statutes Cumulative Supplement,
15 2024, is amended to read:

16 77-3506.03 (1) Except as provided in subsection (2) of this section,
17 for homesteads valued at or above the maximum value, the exempt amount
18 for any exemption under section 77-3507 or 77-3508 shall be reduced by
19 ten percent for each two thousand five hundred dollars of value by which
20 the homestead exceeds the maximum value and any homestead which exceeds
21 the maximum value by twenty thousand dollars or more is not eligible for
22 any exemption under section 77-3507 or 77-3508.

23 (2)(a) For homesteads valued at or above the maximum value, the
24 exempt amount shall not be reduced and the homestead shall remain
25 eligible for an exemption under section 77-3507 or 77-3508 for the
26 current year if the homestead:

27 (i) Received an exemption under section 77-3507 or 77-3508 in the
28 previous year;

29 (ii) Was valued below the maximum value in such previous year; and

30 (iii) Is not ineligible for an exemption under section 77-3507 or
31 77-3508 for any reason other than as provided in subsection (1) of this

1 section.

2 (b) If a homestead remains eligible for an exemption under
3 subdivision (a) of this subsection for any year, the homestead shall
4 continue to be eligible for each year thereafter unless the homestead is
5 not eligible for such exemption for any reason other than as provided in
6 subsection (1) of this section.

7 (c) The percentage of the exempt amount for a homestead for any year
8 such homestead is valued at or above the maximum value and remains
9 eligible for exemption under this subsection shall be equal to the
10 percentage of the exempt amount for the homestead in the last year the
11 homestead received an exemption under section 77-3507 or 77-3508 and was
12 valued below the maximum value.

13 (d) If the homestead's increase in value from the previous year to a
14 value at or above the maximum value is due to improvements to the
15 homestead, this subsection shall not apply to such homestead.

16 (3) This section shall not apply to any exemption under section
17 77-3506 and section 4 of this act.

18 **Sec. 4. (1) The Legislature finds and declares that:**

19 (a) Pursuant to Article VIII, section 2, of the Constitution of
20 Nebraska, the Legislature may exempt from taxation a portion of the value
21 of any residence actually occupied as a homestead by any classification
22 of owners;

23 (b) The existing homestead exemption system should be protected and
24 expanded; and

25 (c) Exempting a larger portion of homesteads from taxation will
26 provide broad-based property tax relief to Nebraska residents.

27 (2) All homesteads in this state shall be assessed for taxation the
28 same as other property, except that commencing January 1, 2026, there
29 shall be exempt from taxation of homesteads the first one hundred
30 thousand dollars of the actual value of the homestead.

31 (3) The exemptions in sections 77-3506, 77-3507, and 77-3508 shall

1 be in addition to the exemption described in subsection (2) of this
2 section.

3 **Sec. 5.** Section 77-3509.01, Reissue Revised Statutes of Nebraska, is
4 amended to read:

5 77-3509.01 If an owner of a homestead applies for an exemption under
6 section 77-3506, 77-3507, or 77-3508 or section 4 of this act for any
7 year and such owner subsequently becomes the owner of another homestead
8 prior to August 15 of such year, the owner may file an application with
9 the county assessor of the county where the new homestead is located for
10 a transfer of the exemption to the new homestead. The owner shall file
11 the application for transfer with the county assessor on or before August
12 15 of such year or within thirty days after receiving a notice of
13 rejection on the owner's application for exemption for the original
14 homestead. The county assessor shall examine each application for
15 transfer and determine whether or not the new homestead, except for the
16 January 1 through August 15 ownership and occupancy requirement and the
17 income requirements, is eligible for exemption under section 77-3506,
18 77-3507, or 77-3508 or section 4 of this act. If the application for
19 transfer is approved by the county assessor, he or she shall make a
20 deduction upon the assessment rolls using the same criteria as previously
21 applied to the original homestead. The county assessor may allow the
22 application for transfer to also be considered an application for a
23 homestead exemption for the subsequent year.

24 **Sec. 6.** Section 77-3509.03, Reissue Revised Statutes of Nebraska, is
25 amended to read:

26 77-3509.03 All property tax statements for homesteads granted an
27 exemption in sections 77-3506, 77-3507, and 77-3508 and section 4 of this
28 act shall show the amount of the exemption, the tax that would otherwise
29 be due, and a statement that the tax loss shall be reimbursed by the
30 state as a homestead exemption.

31 **Sec. 7.** Section 77-3510, Reissue Revised Statutes of Nebraska, is

1 amended to read:

2 77-3510 On or before February 1 of each year, the Tax Commissioner
3 shall prescribe forms to be used by all claimants for homestead exemption
4 or for transfer of homestead exemption. Such forms shall contain
5 provisions for the showing of all information which the Tax Commissioner
6 may deem necessary to (1) enable the county officials and the Tax
7 Commissioner to determine whether each claim for exemption under sections
8 77-3506, 77-3507, and 77-3508 and section 4 of this act should be allowed
9 and (2) enable the county assessor to determine whether each claim for
10 transfer of homestead exemption pursuant to section 77-3509.01 should be
11 allowed. It shall be the duty of the county assessor of each county in
12 this state to furnish such forms, upon request, to each person desiring
13 to make application for homestead exemption or for transfer of homestead
14 exemption. The forms so prescribed shall be used uniformly throughout the
15 state, and no application for exemption or for transfer of homestead
16 exemption shall be allowed unless the applicant uses the prescribed form
17 in making an application. The forms shall require the attachment of an
18 income statement for any applicant seeking an exemption under section
19 77-3507 or 77-3508 as prescribed by the Tax Commissioner fully accounting
20 for all household income. The Tax Commissioner shall provide to each
21 county assessor claim forms and address lists of applicants from the
22 prior year in the manner approved by the Tax Commissioner. The
23 application and information contained on any attachments to the
24 application shall be confidential and available to tax officials only.

25 **Sec. 8.** Section 77-3511, Revised Statutes Cumulative Supplement,
26 2024, is amended to read:

27 77-3511 The application for homestead exemption or for transfer of
28 homestead exemption shall be signed by the owner of the property who
29 qualifies for exemption under sections 77-3501 to 77-3529 and section 4
30 of this act unless the owner is an incompetent or unable to make such
31 application, in which case it shall be signed by the guardian. If an

1 owner who in all respects qualifies for a homestead exemption under such
2 sections dies after January 1 and before the last day for filing an
3 application for a homestead exemption and before applying for a homestead
4 exemption, his or her personal representative may file the application
5 for exemption on or before the last day for filing an application for a
6 homestead exemption of that year if the surviving spouse of such owner
7 continues to occupy the homestead. Any exemption granted as a result of
8 such application signed by a personal representative shall be in effect
9 for only the year in which the owner died.

10 **Sec. 9.** Section 77-3512, Revised Statutes Cumulative Supplement,
11 2024, is amended to read:

12 77-3512 (1) It shall be the duty of each owner who wants a homestead
13 exemption under section 77-3506, 77-3507, or 77-3508 or section 4 of this
14 act to file an application therefor with the county assessor of the
15 county in which the homestead is located after February 1 and on or
16 before June 30 of each year, except that:

17 (a) The county board of the county in which the homestead is located
18 may, by majority vote, extend the deadline for an applicant to on or
19 before July 20. An extension shall not be granted to an applicant who
20 received an extension in the immediately preceding year;

21 (b) An owner may file a late application pursuant to section
22 77-3514.01 if he or she includes documentation of a medical condition
23 which impaired the owner's ability to file the application in a timely
24 manner;

25 (c) An owner may file a late application pursuant to section
26 77-3514.01 if he or she includes a copy of the death certificate of a
27 spouse who died during the year for which the exemption is requested;

28 (d) A veteran qualifying for a homestead exemption under subdivision
29 (2)(a) of section 77-3506 shall only be required to file an application
30 in every subsequent year evenly divisible by five; and

31 (e) If a veteran who has been granted a homestead exemption under

1 subdivision (2)(a) of section 77-3506 dies during the five-year exemption
2 period, the surviving spouse of such veteran shall continue to receive
3 such exemption for the remainder of the five-year exemption period. After
4 the expiration of the five-year exemption period, the surviving spouse
5 shall be required to file for an exemption under subdivision (2)(b) of
6 section 77-3506 on an annual basis.

7 (2) Failure to file an application as required in subsection (1) of
8 this section shall constitute a waiver of the exemption for the year in
9 which the failure occurred.

10 **Sec. 10.** Section 77-3513, Revised Statutes Cumulative Supplement,
11 2024, is amended to read:

12 77-3513 The county assessor shall mail a notice on or before April 1
13 to claimants who are the owners of a homestead which was granted an
14 exemption under section 77-3506, 77-3507, or 77-3508 or section 4 of this
15 act and who are required to refile for such exemption in the current year
16 unless the claimant has already filed the application for the current
17 year or the county assessor has reason to believe there has been a change
18 of circumstances so that the claimant no longer qualifies. The notice
19 shall include the claimant's name, the application deadlines for the
20 current year, a list of documents that must be filed with the
21 application, and the county assessor's office address and telephone
22 number.

23 **Sec. 11.** Section 77-3514, Reissue Revised Statutes of Nebraska, is
24 amended to read:

25 77-3514 A claimant who is the owner of a homestead which has been
26 granted an exemption under section 77-3506, 77-3507, or 77-3508 or
27 section 4 of this act may notify the county assessor by August 15 of each
28 year of any change in the homestead exemption status occurring in the
29 preceding portion of the calendar year as a result of a transfer of the
30 homestead exemption pursuant to sections 77-3509.01 and 77-3509.02. If by
31 his or her failure to give such notice any property owner permits the

1 allowance of the homestead exemption for any year after the homestead
2 exemption status of such property has changed, an amount equal to the
3 amount of the taxes lawfully due but not paid by reason of such unlawful
4 and improper allowance of homestead exemption, together with penalty and
5 interest on such total sum as provided by statute on delinquent ad
6 valorem taxes, shall be due and shall upon entry of the amount thereof on
7 the books of the county treasurer be a lien on such property while
8 unpaid. Such lien may be enforced in the manner provided for liens for
9 other delinquent taxes. Any person who has permitted the improper and
10 unlawful allowance of such homestead exemption on his or her property
11 shall, as an additional penalty, also forfeit his or her right to a
12 homestead exemption on any property in this state for the two succeeding
13 years.

14 **Sec. 12.** Section 77-3516, Reissue Revised Statutes of Nebraska, is
15 amended to read:

16 77-3516 The county assessor shall examine each application for
17 homestead exemption filed with him or her for an exemption pursuant to
18 section 77-3506, 77-3507, or 77-3508 or section 4 of this act and shall
19 determine, except for the income requirements, whether or not such
20 application should be approved or rejected. If the application is
21 approved, the county assessor shall mark the same approved and sign the
22 application. In case he or she finds that the exemption should not be
23 allowed by reason of not being in conformity to law, the county assessor
24 shall mark the application rejected, state thereon the reason for such
25 rejection, and sign the application. In any case when the county assessor
26 rejects an application for exemption, he or she shall notify the
27 applicant of such action by mailing written notice to the applicant at
28 the address shown in the application within ten days after the
29 application is rejected. The notice shall be on forms prescribed by the
30 Tax Commissioner.

31 **Sec. 13.** Section 77-3517, Revised Statutes Cumulative Supplement,

1 2024, is amended to read:

2 77-3517 (1) On or before August 1 of each year, the county assessor
3 shall forward the approved applications for homestead exemptions and a
4 copy of the certification of disability status that have been examined
5 pursuant to section 77-3516 to the Tax Commissioner. The Tax Commissioner
6 shall determine if the applicant meets the income requirements and may
7 also review any other application information he or she deems necessary
8 in order to determine whether the application should be approved. The Tax
9 Commissioner shall, on or before November 1, certify his or her
10 determinations to the county assessor. If the application is approved,
11 the county assessor shall make the proper deduction on the assessment
12 rolls. If the application is denied or approved in part, the Tax
13 Commissioner shall notify the applicant of the denial or partial approval
14 by mailing written notice to the applicant at the address shown on the
15 application. The applicant may appeal the Tax Commissioner's denial or
16 partial approval pursuant to section 77-3520. Late applications
17 authorized under section 77-3512 shall be processed in a similar manner
18 after approval by the county assessor. If the Tax Commissioner approves a
19 late application after any of the real estate taxes in question become
20 delinquent, such delinquency and any interest associated with the amount
21 of the approved exemption shall be removed from the tax rolls of the
22 county within thirty days after the county assessor receives notice from
23 the Tax Commissioner of the approved exemption.

24 (2)(a) Upon his or her own action or upon a request by an applicant,
25 a spouse, or an owner-occupant, the Tax Commissioner may review any
26 information necessary to determine whether an application is in
27 compliance with sections 77-3501 to 77-3529 and section 4 of this act.
28 Any action taken by the Tax Commissioner pursuant to this subsection
29 shall be taken within three years after December 31 of the year in which
30 the exemption was claimed.

31 (b) If after completion of the review the Tax Commissioner

1 determines that an exemption should have been approved or increased, the
2 Tax Commissioner shall notify the applicant, spouse, or owner-occupant
3 and the county treasurer and assessor of his or her determination. The
4 applicant, spouse, or owner-occupant shall receive a refund of the tax,
5 if any, that was paid as a result of the exemption being denied, in whole
6 or in part. The county treasurer shall make the refund and shall amend
7 the county's claim for reimbursement from the state.

8 (c) If after completion of the review the Tax Commissioner
9 determines that an exemption should have been denied or reduced, the Tax
10 Commissioner shall notify the applicant, spouse, or owner-occupant of
11 such denial or reduction. The applicant, the spouse, and any owner-
12 occupant may appeal the Tax Commissioner's denial or reduction pursuant
13 to section 77-3520. Upon the expiration of the appeal period in section
14 77-3520, the Tax Commissioner shall notify the county assessor of the
15 denial or reduction and the county assessor shall remove or reduce the
16 exemption from the tax rolls of the county. Upon notification by the Tax
17 Commissioner to the county assessor, the amount of tax due as a result of
18 the action of the Tax Commissioner shall become a lien on the homestead
19 until paid. Upon attachment of the lien, the county treasurer shall
20 refund to the Tax Commissioner the amount of tax equal to the denied or
21 reduced exemption for deposit into the General Fund. No lien shall be
22 created if a change in ownership of the homestead or death of the
23 applicant, the spouse, and all other owner-occupants has occurred prior
24 to the Tax Commissioner's notice to the county assessor. Beginning thirty
25 days after the county assessor receives approval from the county board to
26 remove or reduce the exemption from the tax rolls of the county, interest
27 at the rate specified in section 45-104.01, as such rate may from time to
28 time be adjusted by the Legislature, shall begin to accrue on the amount
29 of tax due.

30 **Sec. 14.** Section 77-3521, Revised Statutes Cumulative Supplement,
31 2024, is amended to read:

1 77-3521 It shall be the duty of the Tax Commissioner to adopt and
2 promulgate rules and regulations for the information and guidance of the
3 county assessors and county boards of equalization, not inconsistent with
4 sections 77-3501 to 77-3529 and section 4 of this act, affecting the
5 application, hearing, assessment, or equalization of property which is
6 claimed to be entitled to the exemption granted by such sections.

7 **Sec. 15.** Section 77-3522, Revised Statutes Cumulative Supplement,
8 2024, is amended to read:

9 77-3522 (1) Any person who makes any false or fraudulent claim for
10 exemption or any false statement or false representation of a material
11 fact in support of such claim or any person who knowingly assists another
12 in the preparation of any such false or fraudulent claim or enters into
13 any collusion with another by the execution of a fictitious deed or other
14 instrument for the purpose of obtaining unlawful exemption under sections
15 77-3501 to 77-3529 and section 4 of this act shall be guilty of a Class
16 II misdemeanor and shall be subject to a forfeiture of any such exemption
17 for a period of two years from the date of conviction. Any person who
18 shall make an oath or affirmation to any false or fraudulent application
19 for homestead exemption knowing the same to be false or fraudulent shall
20 be guilty of a Class I misdemeanor.

21 (2) In addition to the penalty provided in subsection (1) of this
22 section, if any person (a) files a claim for exemption as provided in
23 section 77-3506, 77-3507, or 77-3508 or section 4 of this act which is
24 excessive due to misstatements by the owner filing such claim or (b)
25 fails to notify the county assessor of a change in status of a veteran
26 qualifying for a homestead exemption under subdivision (2)(a) of section
27 77-3506 which affected all or a portion of the exemption period,
28 including a change in rating, the death of the veteran, or a transfer of
29 property not covered by section 77-3514, the claim may be disallowed in
30 full and, if the claim has been allowed, an amount equal to the amount of
31 taxes lawfully due during the applicable exemption period but not paid by

1 reason of such unlawful and improper allowance of homestead exemption
2 shall be due and shall upon entry of the amount thereof on the books of
3 the county treasurer be a lien on such property until paid and a penalty
4 and interest on such total sum as provided by statute on delinquent ad
5 valorem taxes shall be assessed. Any amount paid to satisfy a lien
6 imposed pursuant to this subsection shall be paid to the county treasurer
7 in the same manner that other property taxes are paid, and the county
8 treasurer shall remit such amount to the State Treasurer for credit to
9 the General Fund. Any penalty collected pursuant to this subsection shall
10 be retained by the county in which such penalty is assessed.

11 (3) For any veteran claiming a homestead exemption under subdivision
12 (2)(a) of section 77-3506, the county assessor may revoke such exemption
13 back to the date on which the county assessor has reason to believe that
14 the exemption was improper upon notice to the veteran of the revocation.
15 The veteran may then provide evidence in favor of receiving the exemption
16 to the county assessor, and the county assessor may revise any revocation
17 based on such evidence. Any decision of the county assessor to revoke a
18 homestead exemption under this subsection may be appealed to the county
19 board of equalization within thirty days after the decision. The county
20 board of equalization may reverse or modify the revocation if there is
21 clear and convincing evidence that the veteran qualified for the
22 exemption for a particular period of time.

23 (4) Any additional taxes or penalties imposed pursuant to this
24 section may be appealed in the same manner as appeals are made under
25 section 77-3519.

26 **Sec. 16.** Section 77-3523, Revised Statutes Cumulative Supplement,
27 2024, is amended to read:

28 77-3523 The county treasurer and county assessor shall, on or before
29 November 30 of each year, certify to the Tax Commissioner the total tax
30 revenue that will be lost to all taxing agencies within the county from
31 taxes levied and assessed in that year because of exemptions allowed

1 under sections 77-3501 to 77-3529 and section 4 of this act. The county
2 treasurer and county assessor may amend the certification to show any
3 change or correction in the total tax that will be lost until May 30 of
4 the next succeeding year. If a homestead exemption is approved, denied,
5 or corrected by the Tax Commissioner under subsection (2) of section
6 77-3517 after May 1 of the next year, the county treasurer and county
7 assessor shall prepare and submit amended reports to the Tax Commissioner
8 and the political subdivisions covering any affected year and shall
9 adjust the reimbursement to the county and the other political
10 subdivisions by adjusting the reimbursement due under this section in
11 later years. The Tax Commissioner shall, on or before January 1 next
12 following such certification or within thirty days of any amendment to
13 the certification, notify the Director of Administrative Services of the
14 amount so certified to be reimbursed by the state. Reimbursement of the
15 funds lost shall be made to each county according to the certification
16 and shall be distributed in six as nearly as possible equal monthly
17 payments on the last business day of each month beginning in January. The
18 Director of Administrative Services shall, on the last business day of
19 each month, issue payments by electronic funds transfer. Out of the
20 amount so received the county treasurer shall distribute to each of the
21 taxing agencies within his or her county the full amount so lost by such
22 agency, except that one percent of such amount shall be deposited in the
23 county general fund and that the amount due a Class V school district
24 shall be paid to the district and the county shall be compensated one
25 percent of such amount. Each taxing agency shall, in preparing its annual
26 or biennial budget, take into account the amount to be received under
27 this section.

28 **Sec. 17.** Section 77-3529, Revised Statutes Cumulative Supplement,
29 2024, is amended to read:

30 77-3529 If any application for exemption pursuant to sections
31 77-3501 to 77-3529 and section 4 of this act is denied and the applicant

1 would be qualified for any other exemption under such sections, then such
2 denied application shall be treated as an application for the highest
3 exemption for which qualified. Any additional documentation necessary for
4 such other exemption shall be submitted to the county assessor within a
5 reasonable time after receipt of the notice of denial.

6 **Sec. 18.** Section 77-4212, Revised Statutes Cumulative Supplement,
7 2024, is amended to read:

8 77-4212 (1) For tax year 2007, the amount of relief granted under
9 the Property Tax Credit Act shall be one hundred five million dollars.
10 For tax year 2008, the amount of relief granted under the act shall be
11 one hundred fifteen million dollars. It is the intent of the Legislature
12 to fund the Property Tax Credit Act for tax years after tax year 2008
13 using available revenue. For tax year 2017, the amount of relief granted
14 under the act shall be two hundred twenty-four million dollars. For tax
15 year 2020 through tax year 2022, the minimum amount of relief granted
16 under the act shall be two hundred seventy-five million dollars. For tax
17 year 2023, the minimum amount of relief granted under the act shall be
18 three hundred sixty million dollars. For tax year 2024, the minimum
19 amount of relief granted under the act shall be three hundred ninety-five
20 million dollars. For tax year 2025, the minimum amount of relief granted
21 under the act shall be four hundred thirty million dollars. For tax year
22 2026, the minimum amount of relief granted under the act shall be four
23 hundred forty-five million dollars. For tax year 2027, the minimum amount
24 of relief granted under the act shall be four hundred sixty million
25 dollars. For tax year 2028, the minimum amount of relief granted under
26 the act shall be four hundred seventy-five million dollars. For tax year
27 2029, the minimum amount of relief granted under the act shall be the
28 minimum amount from the prior tax year plus a percentage increase equal
29 to the percentage increase, if any, in the total assessed value of all
30 real property in the state from the prior year to the current year, as
31 determined by the Department of Revenue, plus an additional seventy-five

1 million dollars. For tax year 2030 and each tax year thereafter, the
2 minimum amount of relief granted under the act shall be the minimum
3 amount from the prior tax year plus a percentage increase equal to the
4 percentage increase, if any, in the total assessed value of all real
5 property in the state from the prior year to the current year, as
6 determined by the Department of Revenue. If money is transferred or
7 credited to the Property Tax Credit Cash Fund pursuant to any other state
8 law, such amount shall be added to the minimum amount required under this
9 subsection when determining the total amount of relief granted under the
10 act. The relief shall be in the form of a property tax credit which
11 appears on the property tax statement.

12 (2)(a) For tax years prior to tax year 2017, to determine the amount
13 of the property tax credit, the county treasurer shall multiply the
14 amount disbursed to the county under subdivision (4)(a) of this section
15 by the ratio of the real property valuation of the parcel to the total
16 real property valuation in the county. The amount determined shall be the
17 property tax credit for the property.

18 (b) Beginning with tax year 2017, to determine the amount of the
19 property tax credit, the county treasurer shall multiply the amount
20 disbursed to the county under subdivision (4)(b) of this section by the
21 ratio of the credit allocation valuation of the parcel to the total
22 credit allocation valuation in the county. The amount determined shall be
23 the property tax credit for the property.

24 (3) If the real property owner qualifies for a homestead exemption
25 under sections 77-3501 to 77-3529 and section 4 of this act, the owner
26 shall also be qualified for the relief provided in the act to the extent
27 of any remaining liability after calculation of the relief provided by
28 the homestead exemption. If the credit results in a property tax
29 liability on the homestead that is less than zero, the amount of the
30 credit which cannot be used by the taxpayer shall be returned to the
31 Property Tax Administrator by July 1 of the year the amount disbursed to

1 the county was disbursed. The Property Tax Administrator shall
2 immediately credit any funds returned under this subsection to the
3 Property Tax Credit Cash Fund. Upon the return of any funds under this
4 subsection, the county treasurer shall electronically file a report with
5 the Property Tax Administrator, on a form prescribed by the Tax
6 Commissioner, indicating the amount of funds distributed to each taxing
7 unit in the county in the year the funds were returned, any collection
8 fee retained by the county in such year, and the amount of unused credits
9 returned.

10 (4)(a) For tax years prior to tax year 2017, the amount disbursed to
11 each county shall be equal to the amount available for disbursement
12 determined under subsection (1) of this section multiplied by the ratio
13 of the real property valuation in the county to the real property
14 valuation in the state. By September 15, the Property Tax Administrator
15 shall determine the amount to be disbursed under this subdivision to each
16 county and certify such amounts to the State Treasurer and to each
17 county. The disbursements to the counties shall occur in two equal
18 payments, the first on or before January 31 and the second on or before
19 April 1. After retaining one percent of the receipts for costs, the
20 county treasurer shall allocate the remaining receipts to each taxing
21 unit levying taxes on taxable property in the tax district in which the
22 real property is located in the same proportion that the levy of such
23 taxing unit bears to the total levy on taxable property of all the taxing
24 units in the tax district in which the real property is located.

25 (b) Beginning with tax year 2017, the amount disbursed to each
26 county shall be equal to the amount available for disbursement determined
27 under subsection (1) of this section multiplied by the ratio of the
28 credit allocation valuation in the county to the credit allocation
29 valuation in the state. By September 15, the Property Tax Administrator
30 shall determine the amount to be disbursed under this subdivision to each
31 county and certify such amounts to the State Treasurer and to each

1 county. The disbursements to the counties shall occur in two equal
2 payments, the first on or before January 31 and the second on or before
3 April 1. After retaining one percent of the receipts for costs, the
4 county treasurer shall allocate the remaining receipts to each taxing
5 unit based on its share of the credits granted to all taxpayers in the
6 taxing unit.

7 (5) For purposes of this section, credit allocation valuation means
8 the taxable value for all real property except agricultural land and
9 horticultural land, one hundred twenty percent of taxable value for
10 agricultural land and horticultural land that is not subject to special
11 valuation, and one hundred twenty percent of taxable value for
12 agricultural land and horticultural land that is subject to special
13 valuation.

14 (6) The State Treasurer shall transfer from the General Fund to the
15 Property Tax Credit Cash Fund one hundred five million dollars by August
16 1, 2007, and one hundred fifteen million dollars by August 1, 2008.

17 (7) The Legislature shall have the power to transfer funds from the
18 Property Tax Credit Cash Fund to the General Fund.

19 **Sec. 19.** Section 77-7305, Revised Statutes Cumulative Supplement,
20 2024, is amended to read:

21 77-7305 (1) The School District Property Tax Relief Act shall apply
22 to tax year 2024 and each tax year thereafter. For tax year 2024, the
23 total amount of relief granted under the act shall be seven hundred fifty
24 million dollars. For tax year 2025, the total amount of relief granted
25 under the act shall be seven hundred eighty million dollars. For tax year
26 2026, the total amount of relief granted under the act shall be eight
27 hundred eight million dollars. For tax year 2027, the total amount of
28 relief granted under the act shall be eight hundred thirty-eight million
29 dollars. For tax year 2028, the total amount of relief granted under the
30 act shall be eight hundred seventy million dollars. For tax year 2029,
31 the total amount of relief granted under the act shall be nine hundred

1 two million dollars. For tax year 2030 and each tax year thereafter, the
2 total amount of relief granted under the act shall be the total amount of
3 relief from the prior year increased by three percent. The relief shall
4 be in the form of property tax credits which appear on property tax
5 statements. Property tax credits granted under the act shall be credited
6 against the amount of property taxes owed to school districts.

7 (2) To determine the amount of the property tax credit for each
8 parcel, the county treasurer shall multiply the amount disbursed to the
9 county under subsection (4) of this section by the ratio of the school
10 district taxes levied in the prior year on the parcel to the school
11 district taxes levied in the prior year on all real property in the
12 county. The amount so determined shall be the property tax credit for
13 that parcel.

14 (3) If the real property owner qualifies for a homestead exemption
15 under sections 77-3501 to 77-3529 and section 4 of this act, the owner
16 shall also be qualified for the property tax credit provided in this
17 section to the extent of any remaining liability after calculation of the
18 homestead exemption. If the property tax credit provided in this section
19 results in a property tax liability on the homestead that is less than
20 zero, the amount of the credit which cannot be used by the taxpayer shall
21 be returned to the Property Tax Administrator by July 1 of the year the
22 amount disbursed to the county was disbursed. The Property Tax
23 Administrator shall immediately credit any funds returned under this
24 subsection to the School District Property Tax Relief Credit Fund. Upon
25 the return of any funds under this subsection, the county treasurer shall
26 electronically file a report with the Property Tax Administrator, on a
27 form prescribed by the Tax Commissioner, indicating the amount of funds
28 distributed to each school district in the county in the year the funds
29 were returned and the amount of unused credits returned.

30 (4) The amount disbursed to each county under this section shall be
31 equal to the amount available for disbursement under subsection (1) of

1 this section multiplied by the ratio of the school district taxes levied
2 in the prior year on all real property in the county to the school
3 district taxes levied in the prior year on all real property in the
4 state. By September 15, 2024, and by September 15 of each year
5 thereafter, the Property Tax Administrator shall determine the amount to
6 be disbursed under this subsection to each county and shall certify such
7 amounts to the State Treasurer and to each county. The disbursements to
8 the counties shall occur in two equal payments, the first on or before
9 January 31 and the second on or before April 1.

10 (5) The county treasurer shall disburse amounts received under
11 subsection (4) of this section, which are credited against the amount of
12 property taxes owed to school districts, in the same manner as if such
13 funds had been received in the form of property tax payments for property
14 taxes owed to school districts, meaning any amounts attributable to
15 divided taxes pursuant to section 18-2147 of the Community Development
16 Law shall be remitted to the applicable authority for which such taxes
17 were divided.

18 (6) The School District Property Tax Relief Credit Fund shall be
19 used for purposes of making the disbursements to counties required under
20 subsection (4) of this section.

21 **Sec. 20.** This act becomes operative on January 1, 2026.

22 **Sec. 21.** Original sections 77-3509.01, 77-3509.03, 77-3510,
23 77-3514, and 77-3516, Reissue Revised Statutes of Nebraska, and sections
24 77-3501, 77-3505.06, 77-3506.03, 77-3511, 77-3512, 77-3513, 77-3517,
25 77-3521, 77-3522, 77-3523, 77-3529, 77-4212, and 77-7305, Revised
26 Statutes Cumulative Supplement, 2024, are repealed.