

LEGISLATURE OF NEBRASKA
ONE HUNDRED NINTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 494

Introduced by Dorn, 30.

Read first time January 21, 2025

Committee: Revenue

1 A BILL FOR AN ACT relating to revenue and taxation; to amend sections
2 77-4602, 77-7304, and 77-7305, Revised Statutes Cumulative
3 Supplement, 2024; to change provisions relating to certain transfers
4 of General Fund net receipts; to change provisions of the School
5 District Property Tax Relief Act; to repeal the original sections;
6 and to declare an emergency.

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

1 **Section 1.** Section 77-4602, Revised Statutes Cumulative Supplement,
2 2024, is amended to read:

3 77-4602 (1) Within fifteen days after the end of each month, the Tax
4 Commissioner shall provide a public statement of actual General Fund net
5 receipts, a comparison of such actual net receipts to the monthly
6 estimated net receipts from the most recent forecast provided by the
7 Nebraska Economic Forecasting Advisory Board pursuant to section
8 77-27,158, and a comparison of such actual net receipts to the monthly
9 actual net receipts for the same month of the previous fiscal year.

10 (2) Within fifteen days after the end of each fiscal year, the
11 public statement shall also include (a) a summary of actual General Fund
12 net receipts and estimated General Fund net receipts for the fiscal year
13 as certified pursuant to sections 77-4601 and 77-4603 and (b) a
14 comparison of the actual General Fund net receipts for the fiscal year to
15 the actual General Fund net receipts for the previous fiscal year.

16 (3)(a) Within fifteen days after the end of each fiscal year, the
17 Tax Commissioner shall determine:

18 (i) Actual ~~actual~~ General Fund net receipts for the most recently
19 completed fiscal year minus estimated General Fund net receipts for such
20 fiscal year as certified pursuant to sections 77-4601 and 77-4603; and -

21 (ii) Actual General Fund net receipts for the most recently
22 completed fiscal year minus one hundred three percent of actual General
23 Fund net receipts for the prior fiscal year.

24 (b) If the amount calculated in subdivision (3)(a)(i) of this
25 section is a positive number and the amount calculated in subdivision (3)
26 (a)(ii) of this section is a negative number, the Tax Commissioner shall
27 certify the amount calculated in subdivision (3)(a)(i) of this section to
28 the State Treasurer. The State Treasurer shall transfer such certified
29 amount to the Cash Reserve Fund.

30 (c) If the amounts calculated in subdivisions (3)(a)(i) and (3)(a)
31 (ii) of this section are both positive numbers and the amount calculated

1 in subdivision (3)(a)(i) of this section exceeds the amount calculated in
2 subdivision (3)(a)(ii) of this section, the Tax Commissioner shall
3 certify the amounts calculated in subdivisions (3)(a)(i) and (3)(a)(ii)
4 of this section to the State Treasurer. The State Treasurer shall
5 transfer the difference between the two certified numbers to the Cash
6 Reserve Fund. The State Treasurer shall transfer the amount certified for
7 subdivision (3)(a)(ii) of this section to the School District Property
8 Tax Relief Credit Fund.

9 (d) If the amounts calculated in subdivisions (3)(a)(i) and (3)(a)
10 (ii) of this section are both positive numbers and the amount calculated
11 in subdivision (3)(a)(i) of this section is less than the amount
12 calculated in subdivision (3)(a)(ii) of this section, the Tax
13 Commissioner shall certify the amount calculated in subdivision (3)(a)(i)
14 of this section to the State Treasurer. The State Treasurer shall
15 transfer such certified amount to the School District Property Tax Relief
16 Credit Fund.

17 ~~(b) If actual General Fund net receipts for the most recently~~
18 ~~completed fiscal year exceed estimated General Fund net receipts for such~~
19 ~~fiscal year, the Tax Commissioner shall certify the excess amount to the~~
20 ~~State Treasurer. The State Treasurer shall transfer the excess amount to~~
21 ~~the Cash Reserve Fund, except as otherwise provided in subdivision (3)(c)~~
22 ~~of this section.~~

23 ~~(c) If actual General Fund net receipts for the most recently~~
24 ~~completed fiscal year exceed one hundred three percent of actual General~~
25 ~~Fund net receipts for the previous fiscal year, the transfer described in~~
26 ~~subdivision (3)(b) of this section shall be modified as follows:~~

27 ~~(i) The amount transferred to the Cash Reserve Fund shall be reduced~~
28 ~~by the excess amount calculated under subdivision (3)(c) of this section;~~
29 ~~and~~

30 ~~(ii) Such excess amount shall be transferred to the School District~~
31 ~~Property Tax Relief Credit Fund.~~

1 **Sec. 2.** Section 77-7304, Revised Statutes Cumulative Supplement,
2 2024, is amended to read:

3 77-7304 (1) The School District Property Tax Relief Credit Fund is
4 created. The fund shall only be used pursuant to the School District
5 Property Tax Relief Act. Any money in the fund available for investment
6 shall be invested by the state investment officer pursuant to the
7 Nebraska Capital Expansion Act and the Nebraska State Funds Investment
8 Act.

9 (2)(a) The State Treasurer shall transfer seven hundred fifty
10 million dollars from the General Fund to the School District Property Tax
11 Relief Credit Fund in fiscal year 2024-25, on such dates and in such
12 amounts as directed by the budget administrator of the budget division of
13 the Department of Administrative Services.

14 (b) Beginning in fiscal year 2025-26, it is the intent of the
15 Legislature that an amount sufficient to provide the amount of property
16 tax relief required by subdivision (1)(a) of section 77-7305 for each tax
17 year be transferred from the General Fund to the School District Property
18 Tax Relief Credit Fund.

19 ~~(b) It is the intent of the Legislature that seven hundred eighty~~
20 ~~million dollars be transferred from the General Fund to the School~~
21 ~~District Property Tax Relief Credit Fund in fiscal year 2025-26.~~

22 ~~(c) It is the intent of the Legislature that eight hundred eight~~
23 ~~million dollars be transferred from the General Fund to the School~~
24 ~~District Property Tax Relief Credit Fund in fiscal year 2026-27.~~

25 ~~(d) It is the intent of the Legislature that eight hundred thirty-~~
26 ~~eight million dollars be transferred from the General Fund to the School~~
27 ~~District Property Tax Relief Credit Fund in fiscal year 2027-28.~~

28 ~~(e) It is the intent of the Legislature that eight hundred seventy~~
29 ~~million dollars be transferred from the General Fund to the School~~
30 ~~District Property Tax Relief Credit Fund in fiscal year 2028-29.~~

31 ~~(f) It is the intent of the Legislature that nine hundred two~~

1 ~~million dollars be transferred from the General Fund to the School~~
2 ~~District Property Tax Relief Credit Fund in fiscal year 2029-30.~~

3 ~~(g) It is the intent of the Legislature that the amount transferred~~
4 ~~from the General Fund to the School District Property Tax Relief Credit~~
5 ~~Fund in fiscal year 2030-31 and each fiscal year thereafter be equal to~~
6 ~~the total amount transferred in the preceding fiscal year increased by~~
7 ~~three percent.~~

8 **Sec. 3.** Section 77-7305, Revised Statutes Cumulative Supplement,
9 2024, is amended to read:

10 77-7305 (1) The School District Property Tax Relief Act shall apply
11 to tax year 2024 and each tax year thereafter. The property tax relief
12 shall be in the form of property tax credits which appear on property tax
13 statements. Property tax credits granted under the act shall be credited
14 against the amount of property taxes owed to school districts. The total
15 amount of property tax relief granted under the act shall be determined
16 as follows:

17 (a) For tax year 2024, the ~~minimum total~~ amount of relief granted
18 under the act shall be seven hundred fifty million dollars. For tax year
19 2025, the ~~minimum total~~ amount of relief granted under the act shall be
20 seven hundred eighty million dollars. For tax year 2026, the ~~minimum~~
21 ~~total~~ amount of relief granted under the act shall be eight hundred eight
22 million dollars. For tax year 2027, the ~~minimum total~~ amount of relief
23 granted under the act shall be eight hundred thirty-eight million
24 dollars. For tax year 2028, the ~~minimum total~~ amount of relief granted
25 under the act shall be eight hundred seventy million dollars. For tax
26 year 2029, the ~~minimum total~~ amount of relief granted under the act shall
27 be nine hundred two million dollars. For tax year 2030 and each tax year
28 thereafter, the ~~minimum total~~ amount of relief granted under the act
29 shall be the ~~minimum total~~ amount of relief from the prior year,
30 ~~excluding any additional relief provided pursuant to subdivision (1)(b)~~
31 ~~of this section, with such amount then increased by three percent; and -~~

1 (b) If money is transferred to the School District Property Tax
2 Relief Credit Fund pursuant to section 77-4602, such amount shall be
3 added to the minimum amount required under subdivision (1)(a) of this
4 section when determining the total amount of relief granted under the act
5 for the tax year in which the transfer occurs. If no such transfer occurs
6 in a given tax year, the minimum amount required under subdivision (1)(a)
7 of this section shall be the total amount of relief granted under the act
8 for such tax year. The relief shall be in the form of property tax
9 credits which appear on property tax statements. Property tax credits
10 granted under the act shall be credited against the amount of property
11 taxes owed to school districts.

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

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

1 Tax Commissioner, indicating the amount of funds distributed to each
2 school district in the county in the year the funds were returned and the
3 amount of unused credits returned.

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

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

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

26 **Sec. 4.** Original sections 77-4602, 77-7304, and 77-7305, Revised
27 Statutes Cumulative Supplement, 2024, are repealed.

28 **Sec. 5.** Since an emergency exists, this act takes effect when
29 passed and approved according to law.