

One Hundred Ninth Legislature - Second Session - 2026

Introducer's Statement of Intent

LB1260

Chairperson: Senator Mike Moser

Committee: Transportation and Telecommunications

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB1260 is a companion bill to LB468, designed to offset Inheritance Tax reductions by allocating more vehicle taxes and fees to counties without raising overall licensing costs. Cities are held harmless and schools receive full replacement dollars from the state.

Specifically, the bill would:

- **Reduce Motor Vehicle Taxes** strategically by 10%, or about \$35 million, bringing Nebraska's tax rates more in line with neighboring states.
- **Revise the Motor Vehicle Tax Schedule** so that yearly tax amounts better reflect real-world vehicle values. All vehicles up to 13 years old would see a significant tax decreases, while vehicles 14 years and older would now pay 2% of their first-year base value instead of being tax-exempt.
- **Update Motor Vehicle Fees** to generate approximately \$30.5 million in new revenue statewide. This is accomplished by eliminating the current 6 & 11 year decreases to fees, and with a mild increase to motor vehicle "base" fees. Fee distribution is directed mostly to counties, while city road funding will moderately increase.

LB1260 offers a solution to provide an overall decrease to motor vehicle registration cost and \$52.2M of funding to the counties to offset more than half of Nebraska's inheritance tax.

Principal Introducer: _____

Senator Robert Clements