

LEGISLATIVE BILL 891

Approved by the Governor April 10, 1984

Introduced by Revenue Committee, Carsten, 2, Chairperson;
V. Johnson, 8; Pappas, 42; Sieck, 24;
Hannibal, 4; Hefner, 19; Lundy, 36;
Landis, 46

AN ACT relating to revenue and taxation; to amend section 77-202.06, Reissue Revised Statutes of Nebraska, 1943, and section 77-202, Revised Statutes Supplement, 1982; to change provisions relating to tax-exempt property; to provide duties; and to repeal the original sections.

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

Section 1. That section 77-202, Revised Statutes Supplement, 1982, be amended to read as follows:

77-202. (1) The following property shall be exempt from taxes:

(a) The property of the state and its governmental subdivisions;

(b) Property owned by and used exclusively for agricultural and horticultural societies;

(c) Property owned by educational, religious, charitable, or cemetery organizations and used exclusively for educational, religious, charitable, or cemetery purposes, when such property is not (i) owned or used for financial gain or profit to either the owner or user, (ii) used for the sale of alcoholic liquors for more than twenty hours per week, or (iii) owned or used by an organization which discriminates in membership or employment based on race, color, or national origin. For purposes of this subdivision, educational organization shall mean an institution operated exclusively for the purpose of offering regular courses with systematic instruction in academic, vocational, or technical subjects or a museum or historical society operated exclusively for the benefit and education of the public, and charitable organization shall mean an organization operated exclusively for the purpose of the mental, social, or physical benefit of the public or an indefinite number of persons; and

(d) Household goods and personal effects when such property is not owned or used for financial gain or profit to either the owner or user.

(2) The increased value of land by reason of shade and ornamental trees planted along the highway shall not be taken into account in the assessment of such land.

(3) The premiums received by any insurance company authorized to do business in this state on pension,

profit-sharing, and other employee benefit plans which are described in section 805(d)(1) of the Internal Revenue Code of 1954, as amended as of January 1, 1965, shall be exempt from taxes.

(4) Life insurance and life insurance annuity contracts and any payment connected therewith and any right to pension or retirement payments shall be exempt from the intangible tax.

(5) Vehicles registered under section 60-305.09 and paying the registration fees prescribed in such section shall be exempt from payment of ad valorem taxes.

(6) Agricultural income-producing machinery and equipment shall be exempt from the personal property tax except: (a) Motor vehicles, as provided in section 60-301; (b) property assessed by the State Board of Equalization and Assessment as provided in sections 77-601 to 77-675; (c) property owned by parties deemed public service companies subject to the provisions of sections 77-801 to 77-803; and (d) any building or fixture, whether permanently attached to the land or not.

(7) Business inventory shall be exempt from the personal property tax.

(8) Feed, fertilizer, and farm inventory shall be exempt from the personal property tax.

(9) Grain, seed, livestock, poultry, fish, ~~honey bees~~ honeybees, and fur-bearing animals shall be exempt from the personal property tax.

Sec. 2. That section 77-202.06, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

77-202.06. The Tax Commissioner shall adopt and promulgate rules and regulations governing tax-exempt status for real or tangible personal property. The Tax Commissioner may review and reverse any decision of the county board of equalization granting tax-exempt status for real or tangible personal property, including motor vehicles, but only after a hearing has been held by the Tax Commissioner in the county where the property exempted is situated, upon ten days' written notice to the applicant and to the county board of equalization. The Tax Commissioner shall within thirty days of the hearing certify ~~his~~ an order to the applicant, the county assessor, and the county board of equalization.

Sec. 3. That original section 77-202.06, Reissue Revised Statutes of Nebraska, 1943, and section 77-202, Revised Statutes Supplement, 1982, are repealed.