

LEGISLATURE OF NEBRASKA  
ONE HUNDRED NINTH LEGISLATURE  
SECOND SESSION

**LEGISLATIVE BILL 803**

FINAL READING

Introduced by Revenue Committee: von Gillern, 4, Chairperson; Bostar, 29;  
Jacobson, 42; Kauth, 31; Murman, 38.

Read first time January 07, 2026

Committee: Revenue

1 A BILL FOR AN ACT relating to revenue and taxation; to amend sections  
2 13-3105, 77-1315, and 77-3510, Reissue Revised Statutes of Nebraska,  
3 sections 13-3108, 77-1502, 77-1601, 77-1776, and 77-3512, Revised  
4 Statutes Cumulative Supplement, 2024, sections 13-3103, 13-3106,  
5 13-3403, 77-1632, 77-2716, and 77-3506, Revised Statutes Supplement,  
6 2025, and section 2, Legislative Bill 901, One Hundred Ninth  
7 Legislature, Second Session, 2026; to adopt the First-Time Home  
8 Buyer Savings Account Act; to change provisions relating to the  
9 Sports Arena Facility Financing Assistance Act, the Property Tax  
10 Growth Limitation Act, property tax valuation and levy procedures,  
11 and homestead exemptions; to require a joint public hearing  
12 regarding property tax valuation and political subdivision budgets;  
13 to provide an adjustment to income for income tax purposes; to  
14 change provisions relating to certain refundable income tax credits;  
15 to harmonize provisions; to provide operative dates; to repeal the  
16 original sections; to outright repeal sections 77-1630 and 77-1634,  
17 Revised Statutes Cumulative Supplement, 2024, section 77-1631,  
18 Revised Statutes Supplement, 2025, and section 77-1633, Revised  
19 Statutes Supplement, 2025, as amended by section 1, Legislative Bill  
20 384, One Hundred Ninth Legislature, Second Session, 2026; and to  
21 declare an emergency.

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

1           **Section 1.** Sections 1 to 8 of this act shall be known and may be  
2 cited as the First-Time Home Buyer Savings Account Act.

3           **Sec. 2.** The Legislature declares that the purpose of allowing  
4 taxable income to be reduced by contributions to and earnings from a  
5 first-time home buyer savings account is to encourage first-time home  
6 ownership through incentivizing saving for a downpayment and closing  
7 costs because of the significant financial and civic benefits home  
8 ownership provides for this state.

9           **Sec. 3.** For purposes of the First-Time Home Buyer Savings Account  
10 Act:

11           (1) Account holder means an individual who establishes an account  
12 with a financial institution that is designated as a first-time home  
13 buyer savings account;

14           (2) Department means the Department of Revenue;

15           (3) Eligible expenses means a downpayment and any closing costs  
16 included on a real estate settlement statement, including, but not  
17 limited to, appraisal fees, mortgage origination fees, and inspection  
18 fees or any downpayment costs and fees that may be included as part of  
19 financing the construction of a primary residence;

20           (4) Financial institution means a bank, savings bank, building and  
21 loan association, savings and loan association, or credit union, whether  
22 chartered by the United States, the Department of Banking and Finance, or  
23 a foreign state agency; any other similar organization which is covered  
24 by federal deposit insurance; or a trust company;

25           (5) First-time home buyer means an individual who:

26           (a) Has never owned or purchased under contract for deed, either  
27 individually or jointly, a single-family, owner-occupied primary  
28 residence, including, but not limited to, a condominium unit or a  
29 manufactured or mobile home that is assessed and taxed as real property;  
30 or

31           (b) As a result of the individual's dissolution of marriage, has not

1 been listed on a property title for at least three consecutive years or  
2 more;

3 (6) First-time home buyer savings account or account means an  
4 account with a financial institution designated as a first-time home  
5 buyer savings account in accordance with section 4 of this act; and

6 (7) Qualified beneficiary means a first-time home buyer designated  
7 by an account holder for whom the money in a first-time home buyer  
8 savings account is or will be used for eligible expenses for the purchase  
9 of the qualified beneficiary's primary residence.

10 **Sec. 4.** (1) Beginning January 1, 2027, any individual may open an  
11 account with a financial institution and designate the account, in its  
12 entirety, as a first-time home buyer savings account to be used to pay or  
13 reimburse a qualified beneficiary's eligible expenses for the purchase or  
14 construction of a primary residence in Nebraska. An individual may be the  
15 account holder of multiple accounts, and an individual may jointly own  
16 the account with another person if they file a joint income tax return.  
17 To be eligible for the subtraction under subsection (27) of section  
18 77-2716, an account holder must comply with the requirements of this  
19 section.

20 (2) An account holder must designate, no later than April 15 of the  
21 year following the taxable year during which the account is established,  
22 a first-time home buyer as the qualified beneficiary of the first-time  
23 home buyer savings account. The account holder may designate himself or  
24 herself as the qualified beneficiary. The account holder may change the  
25 designated qualified beneficiary at any time, but there shall not be more  
26 than one qualified beneficiary at any time. An account holder shall not  
27 have multiple accounts with the same qualified beneficiary, but an  
28 individual may be designated as the qualified beneficiary of multiple  
29 accounts.

30 (3) The following limits apply to a first-time home buyer savings  
31 account:

1       (a) The maximum contribution to a first-time home buyer savings  
2 account for a taxable year is five thousand dollars for an individual and  
3 ten thousand dollars for account holders who file a joint return; and

4       (b) The maximum amount of all contributions for all taxable years to  
5 a first-time home buyer savings account is twenty-five thousand dollars  
6 for an individual and fifty thousand dollars for account holders who file  
7 a joint return.

8       (4) Money may remain in a first-time home buyer savings account for  
9 unlimited duration without the contributions being subject to recapture  
10 or penalty.

11       (5) The account holder shall not use money in an account to pay  
12 expenses of administering the account, except that a service fee may be  
13 deducted from the account by a financial institution.

14       (6) The account holder is responsible for maintaining documentation  
15 for the first-time home buyer savings account and for eligible expenses  
16 related to the qualified beneficiary's purchase of his or her primary  
17 residence.

18       **Sec. 5.** (1)(a) The money in a first-time home buyer savings account  
19 may be:

20       (i) Used for eligible expenses related to a qualified beneficiary's  
21 purchase or construction of his or her primary residence in this state;

22       (ii) Used for eligible expenses related to a qualified beneficiary's  
23 purchase or construction of his or her primary residence in or outside  
24 the state if the qualified beneficiary is active-duty military and was  
25 stationed in Nebraska for any time after the creation of the account;

26       (iii) Used for expenses that would have qualified under subdivision  
27 (1)(a)(i) or (ii) of this section, but the contract for purchase or  
28 construction did not close;

29       (iv) Transferred to another newly created first-time home buyer  
30 savings account; or

31       (v) Used to pay a service fee that is assessed and deducted by the

1 financial institution.

2 (b) Subdivision (1)(a) of this section applies regardless of whether  
3 the qualified beneficiary is the sole owner of the primary residence or a  
4 joint owner with another person who does not qualify as a qualified  
5 beneficiary.

6 (c) The money in a first-time home buyer savings account may not be  
7 used for the purposes described in subdivisions (1)(a)(i), (ii), and  
8 (iii) of this section if the primary residence being purchased or  
9 constructed is a manufactured or mobile home that is not taxed as real  
10 property.

11 (2)(a) Money withdrawn from a first-time home buyer savings account  
12 is subject to recapture in the taxable year in which it is withdrawn if:

13 (i) At the time of the withdrawal, it has been less than a year  
14 since the first deposit in the first-time home buyer savings account; or

15 (ii) The money is used for any purpose other than those authorized  
16 in subsection (1) of this section.

17 (b) The amount subject to recapture shall be added to federal  
18 adjusted gross income pursuant to subdivision (27)(b) of section 77-2716.

19 (3) If any money is subject to recapture pursuant to subdivision (2)  
20 (a)(ii) of this section, the account holder shall pay to the department a  
21 penalty in the same taxable year as the recapture. If the withdrawal is  
22 made ten or fewer years after the first deposit in the first-time home  
23 buyer savings account, the penalty is equal to five percent of the amount  
24 subject to recapture. If the withdrawal is made more than ten years after  
25 the first deposit in the account, the penalty is equal to ten percent of  
26 the amount subject to recapture. The penalties provided in this  
27 subsection do not apply if:

28 (a) The money is used for eligible expenses related to a qualified  
29 beneficiary's purchase or construction of his or her primary residence  
30 outside of the state; or

31 (b) The money is from a first-time home buyer savings account for

1 which the qualified beneficiary dies and the account holder does not  
2 designate a new qualified beneficiary during the same taxable year.

3 (4) If the account holder or, if the first-time home buyer savings  
4 account is jointly owned, the account holders die, all of the money in  
5 the account that was subtracted from taxable income is subject to  
6 recapture in the taxable year of the death or deaths, but no penalty is  
7 due to the department.

8 **Sec. 6.** The department shall establish a form for an account holder  
9 to annually report information about a first-time home buyer savings  
10 account, including, but not limited to, how the money from the account is  
11 used, and shall identify any supporting documentation that is required to  
12 be maintained. To be eligible for the subtraction in subsection (27) of  
13 section 77-2716, an account holder must annually file with his or her  
14 state income tax return the completed form, the 1099 form for the account  
15 issued by the financial institution, and any other supporting  
16 documentation the department requires.

17 **Sec. 7.** (1) A financial institution is not required to:

18 (a) Designate an account as a first-time home buyer savings account,  
19 or designate the qualified beneficiaries of an account, in the financial  
20 institution's account contracts or systems or in any other way;

21 (b) Track the use of money withdrawn from a first-time home buyer  
22 savings account; or

23 (c) Report any information to the department or any other  
24 governmental agency that is not otherwise required by law.

25 (2) A financial institution is not responsible or liable for:

26 (a) Determining or ensuring that an account holder is eligible for a  
27 subtraction under subsection (27) of section 77-2716;

28 (b) Determining or ensuring that money in the account is used for an  
29 eligible expense; or

30 (c) Reporting or remitting taxes or penalties related to the use of  
31 money in a first-time home buyer savings account.

1       (3) In implementing the First-Time Home Buyer Savings Account Act,  
2 the department shall not establish any administrative, reporting, or  
3 other requirements on financial institutions that are outside the scope  
4 of normal account procedures.

5       **Sec. 8.**     The department may adopt and promulgate rules and  
6 regulations to carry out the First-Time Home Buyer Savings Account Act.

7       **Sec. 9.**     Section 13-3103, Revised Statutes Supplement, 2025, is  
8 amended to read:

9       13-3103 (1) Any applicant may apply to the board for state  
10 assistance if (a) the applicant has acquired, constructed, improved, or  
11 equipped an eligible sports arena facility, (b) the applicant has  
12 approved a revenue bond issue or a general obligation bond issue to  
13 acquire, construct, improve, or equip an eligible sports arena facility,  
14 (c) the applicant has adopted a resolution authorizing the applicant to  
15 pursue a general obligation bond issue to acquire, construct, improve, or  
16 equip an eligible sports arena facility, (d) a building permit has been  
17 issued within the applicant's jurisdiction for an eligible sports arena  
18 facility that is a privately owned concert venue, (e) a building permit  
19 has been issued or construction has been completed within the applicant's  
20 jurisdiction for an eligible sports arena facility that is a privately  
21 owned sports complex, or (f) each coapplicant described in subdivision  
22 (1)(b) of section 13-3102 has adopted a resolution authorizing either the  
23 political subdivision or the nonprofit corporation to pursue financing or  
24 bonds to acquire, construct, improve, or equip an eligible sports arena  
25 facility for the purposes set forth in subdivision (4)(b) of this section  
26 ~~13-3103~~.

27       (2) Except as provided in subsections (3) and (4) of this section,  
28 the state assistance shall only be used by the applicant to pay back  
29 amounts expended or borrowed through one or more issues of bonds to be  
30 expended by the applicant to acquire, construct, improve, or equip the  
31 publicly owned eligible sports arena facility and to acquire, construct,

1 improve, or equip publicly owned nearby parking facilities.

2 (3) For an eligible sports arena facility that is a privately owned  
3 concert venue, the state assistance shall only be used by the applicant  
4 (a) to pay back amounts expended or borrowed through one or more issues  
5 of bonds to be expended by the applicant to acquire, construct, improve,  
6 or equip a nearby parking facility or (b) to promote arts and cultural  
7 events which are open to or made available to the general public.

8 (4) For an eligible sports arena facility that is a privately owned  
9 sports complex, the state assistance shall only be used by the applicant:

10 (a) To pay back amounts expended or borrowed through one or more  
11 issues of bonds to be expended by the applicant to acquire, construct,  
12 improve, or equip one or more public infrastructure projects, as defined  
13 in section 77-27,142, related to a privately owned sports complex;

14 (b) To lease all or a portion of such privately owned sports complex  
15 for the governmental use of the political subdivision. For purposes of  
16 this subdivision, lease means any contractual lease agreement between the  
17 coapplicants described in subdivision (1)(b) of section 13-3102 for the  
18 use of an eligible sports arena facility at fair market rental value for  
19 a term not to exceed twenty years;

20 (c) To promote sporting events which are open to or made available  
21 to the general public; or

22 (d) To pay back amounts expended or borrowed through one or more  
23 debt issues to be expended by the nonprofit corporation coapplicant to  
24 acquire, construct, improve, or equip a privately owned sports complex,  
25 subject to voter approval as provided in section 13-3110.

26 (5)(a) No more than ten years of funding for promotion of the arts  
27 and cultural events shall be paid by state assistance received pursuant  
28 to section 13-3108.

29 (b) No more than ten years of funding for promotion of sporting  
30 events shall be paid by state assistance received pursuant to section  
31 13-3108.

1 (c) No more than ~~ten~~ five years of funding for a sports complex  
2 located in a city of the second class or village shall be paid by state  
3 assistance received pursuant to section 13-3108.

4 (6) For any application for state assistance for a large public  
5 stadium approved on or after July 19, 2024, up to one hundred percent of  
6 the final cost of the project may be funded by state assistance received  
7 pursuant to section 13-3108.

8 **Sec. 10.** Section 13-3105, Reissue Revised Statutes of Nebraska, is  
9 amended to read:

10 13-3105 (1) Within sixty days after completing the board's review of  
11 an application under subsection (4) of ~~After reviewing an application~~  
12 ~~submitted under~~ section 13-3104, the board shall hold a public hearing on  
13 the application.

14 (2) The board shall give notice of the time, place, and purpose of  
15 the public hearing by publication three times in a newspaper of general  
16 circulation in the area where the political subdivision submitting the  
17 application is located. Such publication shall be not less than ten days  
18 prior to the hearing. The notice shall describe generally the project for  
19 which state assistance has been requested. The applicant shall pay the  
20 cost of the notice.

21 (3) At the public hearing, representatives of the applicant and any  
22 other interested persons may appear and present evidence and argument in  
23 support of or in opposition to the application or neutral testimony. The  
24 board may seek expert testimony and may require testimony of persons whom  
25 the board desires to comment on the application. The board may accept  
26 additional evidence after conclusion of the public hearing.

27 **Sec. 11.** Section 13-3106, Revised Statutes Supplement, 2025, is  
28 amended to read:

29 13-3106 (1) After consideration of the application and the evidence,  
30 the board shall determine whether or not to approve the application. For  
31 applications submitted on or after the operative date of this section,

1 the board shall make its determination within sixty days after the public  
2 hearing held pursuant to section 13-3105. For applications submitted  
3 prior to the operative date of this section, the board shall make its  
4 determination within sixty days after the public hearing held pursuant to  
5 section 13-3105 or within sixty days after the operative date of this  
6 section, whichever period is later. The application shall be approved  
7 unless the board finds that the project described in the application is  
8 ineligible or that state assistance is not in the best interest of the  
9 state. if the board finds that the project described in the application  
10 is eligible and that state assistance is in the best interest of the  
11 state, the application shall be approved, except that:

12       (2) ~~(a)~~ An approval of an application submitted because of the  
13 requirement in subdivision (1)(c) of section 13-3103 is a temporary  
14 approval. If the general obligation bond issue is subsequently approved  
15 by the voters of the political subdivision, the approval by the board  
16 becomes permanent. If the general obligation bond issue is not approved  
17 by such voters, the temporary approval shall become void. ~~;~~ ~~and~~

18       (3) ~~(b)~~ An approval of an application submitted because of the  
19 requirement in subdivision (1)(f) of section 13-3103 is a temporary  
20 approval. If a building permit for the eligible sports arena facility is  
21 issued within twenty-four months of the temporary approval, the approval  
22 by the board becomes permanent. If a building permit is not issued within  
23 twenty-four months of the temporary approval, the temporary approval  
24 shall become void.

25       (4) ~~(2)~~ In determining whether state assistance is in the best  
26 interest of the state, the board may ~~shall~~ consider the fiscal and  
27 economic capacity of the applicant to finance the local share of the  
28 project.

29       (5) ~~(3)~~ A majority of the board members constitutes a quorum for the  
30 purpose of conducting business. All actions of the board shall be by a  
31 majority vote of all the board members present at the board meeting ~~;~~ ~~one~~

1 ~~of whom must be the Governor.~~

2       **Sec. 12.** Section 13-3108, Revised Statutes Cumulative Supplement,  
3 2024, is amended to read:

4       13-3108 (1) The Sports Arena Facility Support Fund is created. Any  
5 money in the fund available for investment shall be invested by the state  
6 investment officer pursuant to the Nebraska Capital Expansion Act and the  
7 Nebraska State Funds Investment Act.

8       (2)(a) Upon receiving the certification described in subsection (3)  
9 of section 13-3107, the State Treasurer shall transfer the amount  
10 certified to the fund.

11       (b) Upon receiving the quarterly certification described in  
12 subsection (4) of section 13-3107, the State Treasurer shall transfer the  
13 amount certified to the fund.

14       (3)(a) It is the intent of the Legislature to appropriate from the  
15 fund money to be distributed as provided in subsections (4) and (5) of  
16 this section to any political subdivision for which an application for  
17 state assistance under the Sports Arena Facility Financing Assistance Act  
18 has been approved an amount not to exceed:

19       (i) For any eligible sports arena facility that is not a sports  
20 complex located in a city of the second class or village, seventy percent  
21 of the (A) state sales tax revenue collected by retailers doing business  
22 at eligible sports arena facilities on sales at such facilities, (B)  
23 state sales tax revenue collected on primary and secondary box office  
24 sales of admissions to such facilities, and (C) new state sales tax  
25 revenue collected by nearby retailers and sourced under sections  
26 77-2703.01 to 77-2703.04 to the program area; or

27       (ii) For any eligible sports arena facility that is a sports complex  
28 located in a city of the second class or village, twenty-five percent of  
29 the (A) state sales tax revenue collected by retailers doing business at  
30 eligible sports arena facilities on sales at such facilities, (B) state  
31 sales tax revenue collected on primary and secondary box office sales of

1 admissions to such facilities, and (C) new state sales tax revenue  
2 collected by nearby retailers and sourced under sections 77-2703.01 to  
3 77-2703.04 to the program area.

4 (b) The amount to be appropriated for distribution as state  
5 assistance to a political subdivision under this subsection for any one  
6 year after the tenth year shall not exceed the highest such amount  
7 appropriated under subdivision (3)(a) of this section during any one year  
8 of the first ten years of such appropriation. If seventy percent of the  
9 state sales tax revenue as described in subdivision (3)(a) of this  
10 section exceeds the amount to be appropriated under this subdivision,  
11 such excess funds shall be transferred to the General Fund. This  
12 subdivision does not apply to any eligible sports arena facility that is  
13 a sports complex located in a city of the second class or village.

14 (4) The amount certified under subsection (3) of section 13-3107  
15 shall be distributed as state assistance on or before April 15, 2014.

16 (5) Beginning in 2014, quarterly distributions and associated  
17 transfers of state assistance shall be made. Such quarterly distributions  
18 and transfers shall be based on the certifications provided under  
19 subsection (4) of section 13-3107 and shall occur within fifteen days  
20 after receipt of such certification.

21 (6)(a) Except as provided in subdivision (6)(b) of this section, the  
22 total amount of state assistance approved for an eligible sports arena  
23 facility shall not exceed one hundred million dollars.

24 (b) For any eligible sports arena facility that is a large public  
25 stadium:

26 (i) The total amount of state assistance approved for such facility  
27 shall not exceed twenty-five million dollars;

28 (ii) The amount of state assistance approved for such facility for  
29 any year shall not exceed one million two hundred fifty thousand dollars;  
30 and

31 (iii) No state assistance for any large public stadium shall be paid

1 until after July 1, 2027.

2 (7)(a) Except as provided in subdivisions (b), (c), and (d) of this  
3 subsection, state assistance to the political subdivision shall no longer  
4 be available upon the retirement of the bonds issued to acquire,  
5 construct, improve, or equip the facility or any subsequent bonds that  
6 refunded the original issue or when state assistance reaches the amount  
7 determined under subdivision (6)(a) of this section, whichever comes  
8 first.

9 (b) If the state assistance will be used to provide funding for  
10 promotion of the arts and cultural events or for promotion of sporting  
11 events, such state assistance to the political subdivision shall no  
12 longer be available after ten years of funding or when state assistance  
13 reaches the amount determined under subdivision (6)(a) of this section,  
14 whichever comes first.

15 (c) If the state assistance will be used to provide funding for a  
16 sports complex located in a city of the second class or village, such  
17 state assistance to the political subdivision shall no longer be  
18 available after ten ~~five~~ years of funding or when state assistance  
19 reaches the amount determined under subdivision (6)(a) of this section,  
20 whichever comes first.

21 (d) If the state assistance will be used to provide funding for a  
22 large public stadium, such state assistance to the political subdivision  
23 shall no longer be available after twenty years of funding or when state  
24 assistance reaches the amount determined under subdivision (6)(b)(i) of  
25 this section, whichever comes first.

26 (8) State assistance shall not be used for an operating subsidy for  
27 any publicly owned eligible sports arena facility or nearby parking  
28 facility.

29 (9) The thirty percent of state sales tax revenue remaining after  
30 the appropriation and transfer in subdivision (3)(a)(i) of this section  
31 shall be appropriated by the Legislature and transferred quarterly as

1 follows:

2 (a) If the revenue relates to an eligible sports arena facility that  
3 is a sports complex and that is approved for state assistance under  
4 section 13-3106 on or after May 26, 2021, eighty-three percent of such  
5 revenue shall be transferred to the Support the Arts Cash Fund and  
6 seventeen percent of such revenue shall be transferred to the Convention  
7 Center Support Fund; and

8 (b) If the revenue relates to any other eligible sports arena  
9 facility, such revenue shall be transferred to the Civic and Community  
10 Center Financing Fund.

11 (10) The seventy-five percent of state sales tax revenue remaining  
12 after the appropriation and transfer in subdivision (3)(a)(ii) of this  
13 section shall be distributed in accordance with section 77-27,132.

14 (11) Except as provided in subsection (12) of this section for a  
15 city of the primary class, any municipality that has applied for and  
16 received a grant of assistance under the Civic and Community Center  
17 Financing Act shall not receive state assistance under the Sports Arena  
18 Facility Financing Assistance Act for the same project for which the  
19 grant was awarded under the Civic and Community Center Financing Act.

20 (12) A city of the primary class shall not be eligible to receive a  
21 grant of assistance from the Civic and Community Center Financing Act if  
22 the city has applied for and received a grant of assistance under the  
23 Sports Arena Facility Financing Assistance Act.

24 **Sec. 13.** Section 13-3403, Revised Statutes Supplement, 2025, is  
25 amended to read:

26 13-3403 (1) Except as otherwise provided in the Property Tax Growth  
27 Limitation Act, for fiscal years beginning on or after July 1, 2025, a  
28 political subdivision's property tax request for any year shall not  
29 exceed its property tax request authority as determined under this  
30 section. The preliminary property tax request authority for each  
31 political subdivision shall be the amount of property taxes requested and

1 approved by each political subdivision and included on the budget  
2 document filed with the auditor in the prior fiscal year pursuant to  
3 subsection (2) of section 13-506, less the sum of exceptions utilized in  
4 the prior year pursuant to subdivisions (1), (2), (4), (5), (6), and ~~to~~  
5 (7) of section 13-3404.

6 (2) In addition to the preliminary property tax request authority,  
7 the political subdivision's property tax request authority may be  
8 increased by:

9 (a) The product of (i) the amount of property taxes levied in the  
10 prior year, less the sum of exceptions utilized in the prior year  
11 pursuant to subdivisions (1) and (2) of section 13-3404, and (ii) the  
12 political subdivision's growth percentage; and

13 (b) The product of (i) the amount of property taxes levied in the  
14 prior year, less the sum of exceptions utilized in the prior year  
15 pursuant to subdivisions (1) and (2) of section 13-3404, and (ii) the  
16 greater of zero or the inflation percentage.

17 **Sec. 14.** Section 77-1315, Reissue Revised Statutes of Nebraska, is  
18 amended to read:

19 77-1315 (1) The county assessor shall, after March 19 and on or  
20 before June 1, implement adjustments to the real property assessment roll  
21 for actions of the Tax Equalization and Review Commission, except  
22 beginning January 1, 2014, in any county with a population of at least  
23 one hundred fifty thousand inhabitants according to the most recent  
24 federal decennial census, the adjustments shall be implemented after  
25 March 25 and on or before June 1.

26 (2) On or before June 1, in addition to the notice of preliminary  
27 valuation sent pursuant to section 77-1301, the county assessor shall  
28 create a notice to be delivered to notify the owner of record as of May  
29 20 of the assessed value of every item of real property not exempt from  
30 taxation which has been assessed at a value different than in the  
31 previous year. Such notice shall be delivered ~~given~~ by first-class mail

1 addressed to such owner's last-known address. It shall identify the item  
2 of real property and shall display a column for the prior tax year and  
3 the current tax year. Under the column for the prior tax year, the notice  
4 shall display the valuation of the parcel in the prior tax year, the  
5 amount each city, county, and school district levied against such parcel  
6 in the prior tax year, and the total amount of taxes levied against such  
7 parcel in the prior tax year by the city, county, and school district.  
8 Under the column for the current tax year, the notice shall display the  
9 valuation of the parcel in the current tax year and the total amount of  
10 taxes that would be levied against such parcel by each city, county, and  
11 school district using the previous year's rate of levy. The notice shall  
12 state that the tax amounts do not include any homestead exemptions or  
13 property tax credits. The notice shall state the following, in a font  
14 size larger than any other font appearing on the notice: "KNOW YOUR  
15 RIGHTS: If you believe the valuation of the parcel described in this  
16 notice to be in error, you may file a protest of this valuation with the  
17 county clerk on or before June 30, and your protest shall be decided by  
18 the county board of equalization. Your protest must be accompanied by  
19 documentation sufficient to justify the requested valuation; if not, your  
20 protest will be dismissed. If you are concerned about the effect your  
21 valuation may have on how much tax will be levied against your parcel,  
22 you are encouraged to attend any and all of the budget hearings for the  
23 political subdivisions listed above. This notice displays the amount of  
24 tax which would be levied if the levy rate for each of the listed  
25 political subdivisions were unchanged from the prior year. The valuation  
26 for your parcel will not be certified to the listed political  
27 subdivisions by the county until August 20." The notice shall include the  
28 date of convening of the county board of equalization and the dates for  
29 filing a protest. The notice shall also state the following: "The time  
30 and place of the budget hearings will be reported to the county assessor  
31 by each political subdivision listed above on or before June 1. Such time

1 and place can change based on unforeseen circumstances. You are  
2 encouraged to verify with each listed political subdivision that the time  
3 and place of the budget hearings has not changed. You will receive a  
4 postcard from the state, mailed on or before July 1, which will provide  
5 further information." state the old and new valuation, the date of  
6 convening of the county board of equalization, and the dates for filing a  
7 protest.

8 (3) Immediately upon completion of the assessment roll, the county  
9 assessor shall cause to be published in a newspaper of general  
10 circulation in the county a certification that the assessment roll is  
11 complete and notices of valuation changes have been mailed and provide  
12 the final date for filing valuation protests with the county board of  
13 equalization.

14 (4) The county assessor shall annually, on or before June 6, post in  
15 his or her office and, as designated by the county board, mail to a  
16 newspaper of general circulation and to licensed broadcast media in the  
17 county the assessment ratios as found in his or her county as determined  
18 by the Tax Equalization and Review Commission and any other statistical  
19 measures, including, but not limited to, the assessment-to-sales ratio,  
20 the coefficient of dispersion, and the price-related differential.

21 (5) On or before June 1, each political subdivision levying a tax  
22 against property shall inform the county assessor of every county in  
23 which the political subdivision has the authority to levy such tax of the  
24 time and place of the political subdivision's first budget hearing.  
25 Failure by a political subdivision to comply with this subsection shall  
26 not (a) constitute a violation of this subsection by the county assessor,  
27 (b) invalidate the political subdivision's property tax request, or (c)  
28 constitute an unauthorized levy under section 77-1606. For purposes of  
29 this subsection, political subdivision means a county, city, or school  
30 district.

31 (6) On or before June 1, the county assessor shall send the Property

1 Tax Administrator a report which includes:

2 (a) The name and address of every person receiving the notice  
3 required by subsection (2) of this section; and

4 (b) The county's website address where the following information  
5 shall be posted:

6 (i) The time and place of the first budget hearing for the county  
7 and each city and school district authorized to levy a tax within the  
8 county; and

9 (ii) The time and place of the joint public hearing held pursuant to  
10 section 18 of this act.

11 (7) On or before June 25, the Department of Revenue shall send each  
12 person listed in the report provided pursuant to subsection (6) of this  
13 section a postcard containing information about the website address  
14 described in subdivision (6)(b) of this section.

15 **Sec. 15.** Section 77-1502, Revised Statutes Cumulative Supplement,  
16 2024, is amended to read:

17 77-1502 (1) The county board of equalization shall meet for the  
18 purpose of reviewing and deciding written protests filed pursuant to this  
19 section beginning on or after June 1 and ending on or before July 25 of  
20 each year. Protests regarding real property shall be signed and filed  
21 after the county assessor's completion of the real property assessment  
22 roll required by section 77-1315 and on or before June 30. For protests  
23 of real property, a protest shall be filed for each parcel. Protests  
24 regarding taxable tangible personal property returns filed pursuant to  
25 section 77-1229 from January 1 through May 1 shall be signed and filed on  
26 or before June 30. The county board in a county with a population of more  
27 than one hundred thousand inhabitants based upon the most recent federal  
28 decennial census may adopt a resolution to extend the deadline for  
29 hearing protests from July 25 to August 10. The resolution must be  
30 adopted before July 25 and it will affect the time for hearing protests  
31 for that year only. By adopting such resolution, such county waives any

1 right to petition the Tax Equalization and Review Commission for  
2 adjustment of a class or subclass of real property under section  
3 77-1504.01 for that year.

4 (2) Each protest shall be made on a form prescribed by the Tax  
5 Commissioner, signed, and filed with the county clerk of the county where  
6 the property is assessed. It shall be acceptable for a county to create  
7 its own form, including an electronic form, as long as the form captures  
8 the information required by this subsection. The protest shall contain or  
9 have attached a statement of the reason or reasons why the requested  
10 change should be made, including the requested valuation, documentation  
11 sufficient for the county board of equalization to determine a different  
12 valuation, and a description of the property to which the protest  
13 applies. If the property is real property, a description adequate to  
14 identify each parcel shall be provided. If the property is tangible  
15 personal property, a physical description of the property under protest  
16 shall be provided. If the protest does not contain or have attached the  
17 statement of the reason or reasons for the protest, including the  
18 requested valuation, documentation sufficient for the county board of  
19 equalization to determine a different valuation, and ~~or~~ the applicable  
20 description of the property, the protest shall be dismissed by the county  
21 board of equalization. Counties may make reasonable efforts to contact  
22 protesters who have timely filed a protest but have either filed  
23 incomplete information or not used the required form. The protest shall  
24 also indicate whether the person signing the protest is an owner of the  
25 property or a person authorized to protest on behalf of the owner. If the  
26 person signing the protest is a person authorized to protest on behalf of  
27 the owner, such person shall provide the authorization with the protest.  
28 If the person signing the protest is not an owner of the property or a  
29 person authorized to protest on behalf of the owner, the county clerk  
30 shall mail a copy of the protest to the owner of the property at the  
31 address to which the property tax statements are mailed.

1           (3) Beginning January 1, 2014, in counties with a population of at  
2 least one hundred fifty thousand inhabitants according to the most recent  
3 federal decennial census, for a protest regarding real property, each  
4 protester shall be afforded the opportunity to meet in person with the  
5 county board of equalization or a referee appointed under section  
6 77-1502.01 to provide information relevant to the protested property  
7 value.

8           (4) No hearing of the county board of equalization on a protest  
9 filed under this section shall be held before a single commissioner or  
10 supervisor.

11           (5) The county clerk or county assessor shall prepare a separate  
12 report on each protest. The report shall include (a) a description  
13 adequate to identify the real property or a physical description of the  
14 tangible personal property to which the protest applies, (b) any  
15 recommendation of the county assessor for action on the protest, (c) if a  
16 referee is used, the recommendation of the referee, (d) the date the  
17 county board of equalization heard the protest, (e) the decision made by  
18 the county board of equalization, (f) the date of the decision, and (g)  
19 the date notice of the decision was mailed to the protester. The report  
20 shall contain, or have attached to it, a statement, signed by the  
21 chairperson of the county board of equalization, describing the basis  
22 upon which the board's decision was made. The report shall have attached  
23 to it a copy of that portion of the property record file which  
24 substantiates calculation of the protested value unless the county  
25 assessor certifies to the county board of equalization that a copy is  
26 maintained in either electronic or paper form in his or her office. One  
27 copy of the report, if prepared by the county clerk, shall be given to  
28 the county assessor on or before August 2. The county assessor shall have  
29 no authority to make a change in the assessment rolls until there is in  
30 his or her possession a report which has been completed in the manner  
31 specified in this section. If the county assessor deems a report

1 submitted by the county clerk incomplete, the county assessor shall  
2 return the same to the county clerk for proper preparation.

3 (6) On or before August 2, or on or before August 18 in a county  
4 that has adopted a resolution to extend the deadline for hearing  
5 protests, the county clerk shall mail to the protester written notice of  
6 the board's decision. The notice shall contain a statement advising the  
7 protester that a report of the board's decision is available at the  
8 county clerk's or county assessor's office, whichever is appropriate. If  
9 the protester is not an owner of the property involved in the protest or  
10 a person authorized to protest on behalf of the owner, the county clerk  
11 shall also mail written notice of the board's decision to the owner of  
12 such property at the address to which the property tax statements are  
13 mailed.

14 **Sec. 16.** Section 77-1601, Revised Statutes Cumulative Supplement,  
15 2024, is amended to read:

16 77-1601 (1) The county board of equalization shall each year, on or  
17 before October 20, levy the necessary taxes for the current year if  
18 within the limit of the law. The levy shall include an amount for  
19 operation of all functions of county government and shall also include  
20 all levies necessary to fund tax requests that are authorized as provided  
21 in sections 77-3442 to 77-3444, including requests certified under  
22 section 77-1632 ~~the Property Tax Request Act.~~

23 (2) On or before November 5, the county board of equalization upon  
24 its own motion may act to correct a clerical error which has resulted in  
25 the calculation of an incorrect levy by any entity with a tax request as  
26 provided in sections 77-3442 to 77-3444, including requests certified  
27 under section 77-1632 ~~the Property Tax Request Act.~~ The county board of  
28 equalization shall hold a public hearing to determine what adjustment to  
29 the levy is proper, legal, or necessary. Notice shall be provided to the  
30 governing body of each political subdivision affected by the error.  
31 Notice of the hearing as required by section 84-1411 shall include the

1 following: (a) The time and place of the hearing, (b) the dollar amount  
2 at issue, and (c) a statement setting forth the nature of the error.

3 (3) Upon the conclusion of the hearing, the county board of  
4 equalization shall issue a corrected levy if it determines that an error  
5 was made in the original levy which warrants correction. The county board  
6 of equalization shall then order (a) the county assessor, county clerk,  
7 and county treasurer to revise assessment books, unit valuation ledgers,  
8 tax statements, and any other tax records to reflect the correction made  
9 and (b) the recertification of the information provided to the Property  
10 Tax Administrator pursuant to section 77-1613.01.

11 **Sec. 17.** Section 77-1632, Revised Statutes Supplement, 2025, is  
12 amended to read:

13 77-1632 (1) For purposes of this section:

14 (a) Political subdivision means a county, city, village, school  
15 district, learning community, sanitary and improvement district, natural  
16 resources district, or community college; and

17 (b) Property tax request means the total amount of property taxes  
18 requested to be raised for a political subdivision through the levy  
19 imposed pursuant to section 77-1601.

20 (2) ~~(1)~~ If the annual assessment of property would result in an  
21 increase in the total property taxes levied by a political subdivision  
22 county, city, village, school district, learning community, sanitary and  
23 improvement district, natural resources district, educational service  
24 unit, or community college, as determined using the previous year's rate  
25 of levy, such political subdivision's property tax request for the  
26 current year shall be no more than its property tax request in the prior  
27 year, and the political subdivision's rate of levy for the current year  
28 shall be decreased accordingly when such rate is set by the county board  
29 of equalization pursuant to section 77-1601. The governing body of the  
30 political subdivision shall pass a resolution or ordinance to set the  
31 amount of its property tax request after holding the public hearing

1 required in subsection ~~(4)~~ ~~(3)~~ of this section. If the governing body of  
2 a political subdivision seeks to set its property tax request at an  
3 amount that exceeds its property tax request in the prior year, it may do  
4 so, subject to the limitations provided in the School District Property  
5 Tax Limitation Act and the Property Tax Growth Limitation Act, after  
6 holding the public hearing required in subsection ~~(4)~~ ~~(3)~~ of this section  
7 and by passing a resolution or ordinance, by a two-thirds majority vote  
8 except for seven-member boards which shall require a four-sevenths  
9 majority vote, that complies with subsection ~~(5)~~ ~~(4)~~ of this section. If  
10 ~~any county, city, or school district seeks to increase its property tax~~  
11 ~~request by more than the allowable growth percentage, such political~~  
12 ~~subdivision shall comply with the requirements of section 77-1633 in lieu~~  
13 ~~of the requirements in subsections (3) and (4) of this section.~~

14 ~~(3)~~ ~~(2)~~ If the annual assessment of property would result in no  
15 change or a decrease in the total property taxes levied by a political  
16 subdivision ~~county, city, village, school district, learning community,~~  
17 ~~sanitary and improvement district, natural resources district,~~  
18 ~~educational service unit, or community college~~, as determined using the  
19 previous year's rate of levy, such political subdivision's property tax  
20 request for the current year shall be no more than its property tax  
21 request in the prior year, and the political subdivision's rate of levy  
22 for the current year shall be adjusted accordingly when such rate is set  
23 by the county board of equalization pursuant to section 77-1601. The  
24 governing body of the political subdivision shall pass a resolution or  
25 ordinance to set the amount of its property tax request after holding the  
26 public hearing required in subsection ~~(4)~~ ~~(3)~~ of this section. If the  
27 governing body of a political subdivision seeks to set its property tax  
28 request at an amount that exceeds its property tax request in the prior  
29 year, it may do so, subject to the limitations provided in the School  
30 District Property Tax Limitation Act and the Property Tax Growth  
31 Limitation Act, after holding the public hearing required in subsection

1 ~~(4) (3)~~ of this section and by passing a resolution or ordinance, by a  
2 two-thirds majority vote except for seven-member boards which shall  
3 require a four-sevenths majority vote, that complies with subsection ~~(5)~~  
4 ~~(4)~~ of this section. ~~If any county, city, or school district seeks to~~  
5 ~~increase its property tax request by more than the allowable growth~~  
6 ~~percentage, such political subdivision shall comply with the requirements~~  
7 ~~of section 77-1633 in lieu of the requirements in subsections (3) and (4)~~  
8 ~~of this section.~~

9 ~~(4) (3)~~ The resolution or ordinance required under this section  
10 shall only be passed after a special public hearing called for such  
11 purpose is held and after notice is published in a newspaper of general  
12 circulation in the area of the political subdivision at least four  
13 calendar days prior to the hearing. For purposes of such notice, the four  
14 calendar days shall include the day of publication but not the day of  
15 hearing. If the political subdivision's total operating budget, not  
16 including reserves, does not exceed ten thousand dollars per year or  
17 twenty thousand dollars per biennial period, the notice may be posted at  
18 the governing body's principal headquarters. The hearing notice shall  
19 contain the following information: The certified taxable valuation under  
20 section 13-509 for the prior year, the certified taxable valuation under  
21 section 13-509 for the current year, and the percentage increase or  
22 decrease in such valuations from the prior year to the current year; the  
23 dollar amount of the prior year's tax request and the property tax rate  
24 that was necessary to fund that tax request; the property tax rate that  
25 would be necessary to fund last year's tax request if applied to the  
26 current year's valuation; the proposed dollar amount of the tax request  
27 for the current year and the property tax rate that will be necessary to  
28 fund that tax request; the percentage increase or decrease in the  
29 property tax rate from the prior year to the current year; and the  
30 percentage increase or decrease in the total operating budget from the  
31 prior year to the current year.

1       ~~(5)~~ ~~(4)~~ Any resolution or ordinance setting a political  
2 subdivision's property tax request under this section at an amount that  
3 exceeds the political subdivision's property tax request in the prior  
4 year shall include, but not be limited to, the following information:

5       (a) The name of the political subdivision;

6       (b) The amount of the property tax request;

7       (c) The following statements:

8       (i) The total assessed value of property differs from last year's  
9 total assessed value by ..... percent;

10       (ii) The tax rate which would levy the same amount of property taxes  
11 as last year, when multiplied by the new total assessed value of  
12 property, would be \$..... per \$100 of assessed value;

13       (iii) The (name of political subdivision) proposes to adopt a  
14 property tax request that will cause its tax rate to be \$..... per \$100  
15 of assessed value; and

16       (iv) Based on the proposed property tax request and changes in other  
17 revenue, the total operating budget of (name of political subdivision)  
18 will (increase or decrease) last year's budget by ..... percent; and

19       (d) The record vote of the governing body in passing such resolution  
20 or ordinance.

21       ~~(6)~~ ~~(5)~~ Any resolution or ordinance setting a property tax request  
22 under this section shall be certified and forwarded to the county clerk  
23 on or before October 15 of the year for which the tax request is to  
24 apply.

25       **Sec. 18.** (1) Each county and each city or school district levying a  
26 tax on property within a county shall participate in a joint public  
27 hearing. Each such political subdivision shall designate one  
28 representative to attend the joint public hearing on behalf of the  
29 political subdivision. If a political subdivision includes area in more  
30 than one county, the political subdivision shall be deemed to be within  
31 the county in which the political subdivision's principal headquarters

1 are located. At such hearing, there shall be no items on the agenda other  
2 than discussion on each political subdivision's budget process and  
3 preliminary information on relevant data that would impact the political  
4 subdivision's budget in the current year.

5 (2) At least one voting member of the governing body of each  
6 participating political subdivision shall attend the joint public  
7 hearing. The county assessor of the county in which the joint public  
8 hearing is being held shall also attend the hearing. The presence of a  
9 quorum or the participation of elected officials at the joint public  
10 hearing does not constitute a meeting as defined by section 84-1409 of  
11 the Open Meetings Act.

12 (3) The joint public hearing shall be held on or after July 1 and  
13 prior to July 15 and before any of the participating political  
14 subdivisions file their adopted budget statement pursuant to section  
15 13-508.

16 (4) The joint public hearing shall be held after 6 p.m. local time  
17 on the relevant date.

18 (5) The joint public hearing shall be organized by the county clerk  
19 or his or her designee. At the joint public hearing, the designated  
20 representative of each political subdivision shall give a brief  
21 presentation on the budget process, how the budget affects the property  
22 tax request, information about the prior year's budget and property tax  
23 request, and any preliminary information about factors that may affect  
24 the current year's budget as may be known to the political subdivision.

25 (6) Any member of the public shall be allowed to speak at the joint  
26 public hearing and shall be given a reasonable amount of time to do so.

27 (7)(a) After completion of the joint public hearing, the county  
28 clerk, or his or her designee, shall prepare a report which shall  
29 include:

30 (i) The name of each political subdivision that participated in the  
31 joint public hearing;

1        (ii) The names of the designated representatives of the political  
2 subdivisions participating in the joint public hearing;

3        (iii) The name and address of each individual who spoke at the joint  
4 public hearing, unless the address requirement is waived to protect the  
5 security of the individual, and the name of any organization represented  
6 by each such individual; and

7        (iv) The number of individuals who signed in to attend the joint  
8 public hearing.

9        (b) Such report shall be delivered to the political subdivisions  
10 participating in the joint public hearing within ten days after such  
11 hearing.

12        **Sec. 19.** Section 77-1776, Revised Statutes Cumulative Supplement,  
13 2024, is amended to read:

14        77-1776 Any political subdivision which has received proceeds from a  
15 levy imposed on all taxable property within an entire county which is in  
16 excess of that requested by the political subdivision under section  
17 77-1632 ~~the Property Tax Request Act~~ as a result of a clerical error or  
18 mistake shall, in the fiscal year following receipt, return the excess  
19 tax collections, net of the collection fee, to the county. By July 31 of  
20 the fiscal year following the receipt of any excess tax collections, the  
21 county treasurer shall certify to the political subdivision the amount to  
22 be returned. For fiscal years beginning prior to July 1, 2025, such  
23 excess tax collections shall be restricted funds in the budget of the  
24 county that receives the funds under section 13-518.

25        **Sec. 20.** Section 77-2716, Revised Statutes Supplement, 2025, is  
26 amended to read:

27        77-2716 (1) The following adjustments to federal adjusted gross  
28 income or, for corporations and fiduciaries, federal taxable income shall  
29 be made for interest or dividends received:

30        (a)(i) There shall be subtracted interest or dividends received by  
31 the owner of obligations of the United States and its territories and

1 possessions or of any authority, commission, or instrumentality of the  
2 United States to the extent includable in gross income for federal income  
3 tax purposes but exempt from state income taxes under the laws of the  
4 United States; and

5 (ii) There shall be subtracted interest received by the owner of  
6 obligations of the State of Nebraska or its political subdivisions or  
7 authorities which are Build America Bonds to the extent includable in  
8 gross income for federal income tax purposes;

9 (b) There shall be subtracted that portion of the total dividends  
10 and other income received from a regulated investment company which is  
11 attributable to obligations described in subdivision (a) of this  
12 subsection as reported to the recipient by the regulated investment  
13 company;

14 (c) There shall be added interest or dividends received by the owner  
15 of obligations of the District of Columbia, other states of the United  
16 States, or their political subdivisions, authorities, commissions, or  
17 instrumentalities to the extent excluded in the computation of gross  
18 income for federal income tax purposes except that such interest or  
19 dividends shall not be added if received by a corporation which is a  
20 regulated investment company;

21 (d) There shall be added that portion of the total dividends and  
22 other income received from a regulated investment company which is  
23 attributable to obligations described in subdivision (c) of this  
24 subsection and excluded for federal income tax purposes as reported to  
25 the recipient by the regulated investment company; and

26 (e)(i) Any amount subtracted under this subsection shall be reduced  
27 by any interest on indebtedness incurred to carry the obligations or  
28 securities described in this subsection or the investment in the  
29 regulated investment company and by any expenses incurred in the  
30 production of interest or dividend income described in this subsection to  
31 the extent that such expenses, including amortizable bond premiums, are

1 deductible in determining federal taxable income.

2 (ii) Any amount added under this subsection shall be reduced by any  
3 expenses incurred in the production of such income to the extent  
4 disallowed in the computation of federal taxable income.

5 (2) There shall be allowed a net operating loss derived from or  
6 connected with Nebraska sources computed under rules and regulations  
7 adopted and promulgated by the Tax Commissioner consistent, to the extent  
8 possible under the Nebraska Revenue Act of 1967, with the laws of the  
9 United States. For a resident individual, estate, or trust, the net  
10 operating loss computed on the federal income tax return shall be  
11 adjusted by the modifications contained in this section. For a  
12 nonresident individual, estate, or trust or for a partial-year resident  
13 individual, the net operating loss computed on the federal return shall  
14 be adjusted by the modifications contained in this section and any  
15 carryovers or carrybacks shall be limited to the portion of the loss  
16 derived from or connected with Nebraska sources.

17 (3) There shall be subtracted from federal adjusted gross income for  
18 all taxable years beginning on or after January 1, 1987, the amount of  
19 any state income tax refund to the extent such refund was deducted under  
20 the Internal Revenue Code, was not allowed in the computation of the tax  
21 due under the Nebraska Revenue Act of 1967, and is included in federal  
22 adjusted gross income.

23 (4) Federal adjusted gross income, or, for a fiduciary, federal  
24 taxable income shall be modified to exclude the portion of the income or  
25 loss received from a small business corporation with an election in  
26 effect under subchapter S of the Internal Revenue Code or from a limited  
27 liability company organized pursuant to the Nebraska Uniform Limited  
28 Liability Company Act that is not derived from or connected with Nebraska  
29 sources as determined in section 77-2734.01.

30 (5) There shall be subtracted from federal adjusted gross income or,  
31 for corporations and fiduciaries, federal taxable income dividends

1 received or deemed to be received from corporations which are not subject  
2 to the Internal Revenue Code.

3 (6) There shall be subtracted from federal taxable income a portion  
4 of the income earned by a corporation subject to the Internal Revenue  
5 Code of 1986 that is actually taxed by a foreign country or one of its  
6 political subdivisions at a rate in excess of the maximum federal tax  
7 rate for corporations. The taxpayer may make the computation for each  
8 foreign country or for groups of foreign countries. The portion of the  
9 taxes that may be deducted shall be computed in the following manner:

10 (a) The amount of federal taxable income from operations within a  
11 foreign taxing jurisdiction shall be reduced by the amount of taxes  
12 actually paid to the foreign jurisdiction that are not deductible solely  
13 because the foreign tax credit was elected on the federal income tax  
14 return;

15 (b) The amount of after-tax income shall be divided by one minus the  
16 maximum tax rate for corporations in the Internal Revenue Code; and

17 (c) The result of the calculation in subdivision (b) of this  
18 subsection shall be subtracted from the amount of federal taxable income  
19 used in subdivision (a) of this subsection. The result of such  
20 calculation, if greater than zero, shall be subtracted from federal  
21 taxable income.

22 (7) Federal adjusted gross income shall be modified to exclude any  
23 amount repaid by the taxpayer for which a reduction in federal tax is  
24 allowed under section 1341(a)(5) of the Internal Revenue Code.

25 (8)(a) Federal adjusted gross income or, for corporations and  
26 fiduciaries, federal taxable income shall be reduced, to the extent  
27 included, by income from interest, earnings, and state contributions  
28 received from the Nebraska educational savings plan trust as provided in  
29 sections 77-1415 to 77-1430 and any account established under the  
30 achieving a better life experience program as provided in sections  
31 77-1401 to 77-1409.

1 (b) Federal adjusted gross income or, for corporations and  
2 fiduciaries, federal taxable income shall be reduced by any contributions  
3 as a participant in the Nebraska educational savings plan trust, any  
4 contributions to an account established under the achieving a better life  
5 experience program made for the benefit of a beneficiary as provided in  
6 sections 77-1401 to 77-1409, or any contributions to the Give to Enable  
7 Support Cash Fund as provided in the Give to Enable Support Act, to the  
8 extent not deducted for federal income tax purposes, but not to exceed  
9 five thousand dollars per married filing separate return or ten thousand  
10 dollars for any other return. With respect to a qualified rollover within  
11 the meaning of section 529 of the Internal Revenue Code from another  
12 state's plan, any interest, earnings, and state contributions received  
13 from the other state's educational savings plan which is qualified under  
14 section 529 of the code shall qualify for the reduction provided in this  
15 subdivision. For contributions by a custodian of a custodial account  
16 including rollovers from another custodial account, the reduction shall  
17 only apply to funds added to the custodial account after January 1, 2014.

18 (c) For taxable years beginning or deemed to begin on or after  
19 January 1, 2021, under the Internal Revenue Code of 1986, as amended,  
20 federal adjusted gross income shall be reduced, to the extent included in  
21 the adjusted gross income of an individual, by the amount of any  
22 contribution made by the individual's employer into an account under the  
23 Nebraska educational savings plan trust owned by the individual, not to  
24 exceed five thousand dollars per married filing separate return or ten  
25 thousand dollars for any other return.

26 (d) Federal adjusted gross income or, for corporations and  
27 fiduciaries, federal taxable income shall be increased by:

28 (i) The amount resulting from the cancellation of a participation  
29 agreement refunded to the taxpayer as a participant in the Nebraska  
30 educational savings plan trust to the extent previously deducted under  
31 subdivision (8)(b) of this section; and

1           (ii) The amount of any withdrawals by the owner of an account  
2 established under the achieving a better life experience program as  
3 provided in sections 77-1401 to 77-1409 for nonqualified expenses to the  
4 extent previously deducted under subdivision (8)(b) of this section.

5           (9)(a) For income tax returns filed after September 10, 2001, for  
6 taxable years beginning or deemed to begin before January 1, 2006, under  
7 the Internal Revenue Code of 1986, as amended, federal adjusted gross  
8 income or, for corporations and fiduciaries, federal taxable income shall  
9 be increased by eighty-five percent of any amount of any federal bonus  
10 depreciation received under the federal Job Creation and Worker  
11 Assistance Act of 2002 or the federal Jobs and Growth Tax Act of 2003,  
12 under section 168(k) or section 1400L of the Internal Revenue Code of  
13 1986, as amended, for assets placed in service after September 10, 2001,  
14 and before December 31, 2005.

15           (b) For a partnership, limited liability company, cooperative,  
16 including any cooperative exempt from income taxes under section 521 of  
17 the Internal Revenue Code of 1986, as amended, limited cooperative  
18 association, subchapter S corporation, or joint venture, the increase  
19 shall be distributed to the partners, members, shareholders, patrons, or  
20 beneficiaries in the same manner as income is distributed for use against  
21 their income tax liabilities.

22           (c) For a corporation with a unitary business having activity both  
23 inside and outside the state, the increase shall be apportioned to  
24 Nebraska in the same manner as income is apportioned to the state by  
25 section 77-2734.05.

26           (d) The amount of bonus depreciation added to federal adjusted gross  
27 income or, for corporations and fiduciaries, federal taxable income by  
28 this subsection shall be subtracted in a later taxable year. Twenty  
29 percent of the total amount of bonus depreciation added back by this  
30 subsection for tax years beginning or deemed to begin before January 1,  
31 2003, under the Internal Revenue Code of 1986, as amended, may be

1 subtracted in the first taxable year beginning or deemed to begin on or  
2 after January 1, 2005, under the Internal Revenue Code of 1986, as  
3 amended, and twenty percent in each of the next four following taxable  
4 years. Twenty percent of the total amount of bonus depreciation added  
5 back by this subsection for tax years beginning or deemed to begin on or  
6 after January 1, 2003, may be subtracted in the first taxable year  
7 beginning or deemed to begin on or after January 1, 2006, under the  
8 Internal Revenue Code of 1986, as amended, and twenty percent in each of  
9 the next four following taxable years.

10 (10) For taxable years beginning or deemed to begin on or after  
11 January 1, 2003, and before January 1, 2006, under the Internal Revenue  
12 Code of 1986, as amended, federal adjusted gross income or, for  
13 corporations and fiduciaries, federal taxable income shall be increased  
14 by the amount of any capital investment that is expensed under section  
15 179 of the Internal Revenue Code of 1986, as amended, that is in excess  
16 of twenty-five thousand dollars that is allowed under the federal Jobs  
17 and Growth Tax Act of 2003. Twenty percent of the total amount of  
18 expensing added back by this subsection for tax years beginning or deemed  
19 to begin on or after January 1, 2003, may be subtracted in the first  
20 taxable year beginning or deemed to begin on or after January 1, 2006,  
21 under the Internal Revenue Code of 1986, as amended, and twenty percent  
22 in each of the next four following tax years.

23 (11)(a) For taxable years beginning or deemed to begin before  
24 January 1, 2018, under the Internal Revenue Code of 1986, as amended,  
25 federal adjusted gross income shall be reduced by contributions, up to  
26 two thousand dollars per married filing jointly return or one thousand  
27 dollars for any other return, and any investment earnings made as a  
28 participant in the Nebraska long-term care savings plan under the Long-  
29 Term Care Savings Plan Act, to the extent not deducted for federal income  
30 tax purposes.

31 (b) For taxable years beginning or deemed to begin before January 1,

1 2018, under the Internal Revenue Code of 1986, as amended, federal  
2 adjusted gross income shall be increased by the withdrawals made as a  
3 participant in the Nebraska long-term care savings plan under the act by  
4 a person who is not a qualified individual or for any reason other than  
5 transfer of funds to a spouse, long-term care expenses, long-term care  
6 insurance premiums, or death of the participant, including withdrawals  
7 made by reason of cancellation of the participation agreement, to the  
8 extent previously deducted as a contribution or as investment earnings.

9 (12) There shall be added to federal adjusted gross income for  
10 individuals, estates, and trusts any amount taken as a credit for  
11 franchise tax paid by a financial institution under sections 77-3801 to  
12 77-3807 as allowed by subsection (5) of section 77-2715.07.

13 (13)(a) For taxable years beginning or deemed to begin on or after  
14 January 1, 2015, and before January 1, 2024, under the Internal Revenue  
15 Code of 1986, as amended, federal adjusted gross income shall be reduced  
16 by the amount received as benefits under the federal Social Security Act  
17 which are included in the federal adjusted gross income if:

18 (i) For taxpayers filing a married filing joint return, federal  
19 adjusted gross income is fifty-eight thousand dollars or less; or

20 (ii) For taxpayers filing any other return, federal adjusted gross  
21 income is forty-three thousand dollars or less.

22 (b) For taxable years beginning or deemed to begin on or after  
23 January 1, 2020, and before January 1, 2024, under the Internal Revenue  
24 Code of 1986, as amended, the Tax Commissioner shall adjust the dollar  
25 amounts provided in subdivisions (13)(a)(i) and (ii) of this section by  
26 the same percentage used to adjust individual income tax brackets under  
27 subsection (3) of section 77-2715.03.

28 (c) For taxable years beginning or deemed to begin on or after  
29 January 1, 2021, and before January 1, 2024, under the Internal Revenue  
30 Code of 1986, as amended, a taxpayer may claim the reduction to federal  
31 adjusted gross income allowed under this subsection or the reduction to

1 federal adjusted gross income allowed under subsection (14) of this  
2 section, whichever provides the greater reduction.

3 (14)(a) For taxable years beginning or deemed to begin on or after  
4 January 1, 2021, under the Internal Revenue Code of 1986, as amended,  
5 federal adjusted gross income shall be reduced by a percentage of the  
6 social security benefits that are received and included in federal  
7 adjusted gross income. The pertinent percentage shall be:

8 (i) Five percent for taxable years beginning or deemed to begin on  
9 or after January 1, 2021, and before January 1, 2022, under the Internal  
10 Revenue Code of 1986, as amended;

11 (ii) Forty percent for taxable years beginning or deemed to begin on  
12 or after January 1, 2022, and before January 1, 2023, under the Internal  
13 Revenue Code of 1986, as amended;

14 (iii) Sixty percent for taxable years beginning or deemed to begin  
15 on or after January 1, 2023, and before January 1, 2024, under the  
16 Internal Revenue Code of 1986, as amended; and

17 (iv) One hundred percent for taxable years beginning or deemed to  
18 begin on or after January 1, 2024, under the Internal Revenue Code of  
19 1986, as amended.

20 (b) For purposes of this subsection, social security benefits means  
21 benefits received under the federal Social Security Act.

22 (c) For taxable years beginning or deemed to begin on or after  
23 January 1, 2021, and before January 1, 2024, under the Internal Revenue  
24 Code of 1986, as amended, a taxpayer may claim the reduction to federal  
25 adjusted gross income allowed under this subsection or the reduction to  
26 federal adjusted gross income allowed under subsection (13) of this  
27 section, whichever provides the greater reduction.

28 (15)(a) For taxable years beginning or deemed to begin on or after  
29 January 1, 2015, and before January 1, 2022, under the Internal Revenue  
30 Code of 1986, as amended, an individual may make a one-time election  
31 within two calendar years after the date of his or her retirement from

1 the military to exclude income received as a military retirement benefit  
2 by the individual to the extent included in federal adjusted gross income  
3 and as provided in this subdivision. The individual may elect to exclude  
4 forty percent of his or her military retirement benefit income for seven  
5 consecutive taxable years beginning with the year in which the election  
6 is made or may elect to exclude fifteen percent of his or her military  
7 retirement benefit income for all taxable years beginning with the year  
8 in which he or she turns sixty-seven years of age.

9 (b) For taxable years beginning or deemed to begin on or after  
10 January 1, 2022, under the Internal Revenue Code of 1986, as amended, an  
11 individual may exclude one hundred percent of the military retirement  
12 benefit income received by such individual to the extent included in  
13 federal adjusted gross income.

14 (c) For purposes of this subsection, military retirement benefit  
15 means retirement benefits that are periodic payments attributable to  
16 service in the uniformed services of the United States for personal  
17 services performed by an individual prior to his or her retirement. The  
18 term includes retirement benefits described in this subdivision that are  
19 reported to the individual on either:

20 (i) An Internal Revenue Service Form 1099-R received from the United  
21 States Department of Defense; or

22 (ii) An Internal Revenue Service Form 1099-R received from the  
23 United States Office of Personnel Management.

24 (16) For taxable years beginning or deemed to begin on or after  
25 January 1, 2021, under the Internal Revenue Code of 1986, as amended,  
26 federal adjusted gross income shall be reduced by the amount received as  
27 a Segal AmeriCorps Education Award, to the extent such amount is included  
28 in federal adjusted gross income.

29 (17) For taxable years beginning or deemed to begin on or after  
30 January 1, 2022, under the Internal Revenue Code of 1986, as amended,  
31 federal adjusted gross income shall be reduced by the amount received by

1 or on behalf of a firefighter for cancer benefits under the Firefighter  
2 Cancer Benefits Act to the extent included in federal adjusted gross  
3 income.

4 (18) There shall be subtracted from the federal adjusted gross  
5 income of individuals any amount received by the individual as student  
6 loan repayment assistance under the Teach in Nebraska Today Act, to the  
7 extent such amount is included in federal adjusted gross income.

8 (19) For taxable years beginning or deemed to begin on or after  
9 January 1, 2023, under the Internal Revenue Code of 1986, as amended, a  
10 retired individual who was employed full time as a firefighter or  
11 certified law enforcement officer for at least twenty years and who is at  
12 least sixty years of age as of the end of the taxable year may reduce his  
13 or her federal adjusted gross income by the amount of health insurance  
14 premiums paid by such individual during the taxable year, to the extent  
15 such premiums were not already deducted in determining the individual's  
16 federal adjusted gross income.

17 (20) For taxable years beginning or deemed to begin on or after  
18 January 1, 2024, under the Internal Revenue Code of 1986, as amended, an  
19 individual may reduce his or her federal adjusted gross income by the  
20 amounts received as annuities under the Civil Service Retirement System  
21 which were earned for being employed by the federal government, to the  
22 extent such amounts are included in federal adjusted gross income.

23 (21) For taxable years beginning or deemed to begin on or after  
24 January 1, 2025, under the Internal Revenue Code of 1986, as amended, an  
25 individual who is a member of the Nebraska National Guard may exclude one  
26 hundred percent of the income received from any of the following sources  
27 to the extent such income is included in the individual's federal  
28 adjusted gross income:

29 (a) Serving in a 32 U.S.C. duty status such as members attending  
30 drills, annual training, and military schools and members who are serving  
31 in a 32 U.S.C. active guard reserve or active duty for operational

1 support duty status;

2 (b) Employment as a 32 U.S.C. federal dual-status technician with  
3 the Nebraska National Guard; or

4 (c) Serving in a state active duty status.

5 (22)(a) For taxable years beginning or deemed to begin on or after  
6 January 1, 2024, under the Internal Revenue Code of 1986, as amended, an  
7 individual may reduce his or her federal adjusted gross income by the  
8 amount of interest and principal balance of medical debt discharged under  
9 the Medical Debt Relief Act, to the extent included in such individual's  
10 federal adjusted gross income.

11 (b) For taxable years beginning or deemed to begin on or after  
12 January 1, 2024, under the Internal Revenue Code of 1986, as amended,  
13 federal adjusted gross income or, for corporations and fiduciaries,  
14 federal taxable income shall be reduced by the amount of contributions  
15 made to the Medical Debt Relief Fund, to the extent not deducted for  
16 federal income tax purposes.

17 (23) For taxable years beginning or deemed to begin on or after  
18 January 1, 2025, under the Internal Revenue Code of 1986, as amended, an  
19 individual who is a qualifying employee as defined in section 77-3108 may  
20 reduce his or her federal adjusted gross income by the amount allowed  
21 under section 77-3111.

22 (24) For taxable years beginning or deemed to begin on or after  
23 January 1, 2026, under the Internal Revenue Code of 1986, as amended,  
24 federal adjusted gross income or, for corporations and fiduciaries,  
25 federal taxable income shall be reduced by the amounts allowed to be  
26 deducted pursuant to section 77-27,242.

27 (25) There shall be added to federal adjusted gross income or, for  
28 corporations and fiduciaries, federal taxable income for all taxable  
29 years beginning on or after January 1, 2025, the amount of any net  
30 capital loss that is derived from the sale or exchange of gold or silver  
31 bullion to the extent such loss is included in federal adjusted gross

1 income except that such loss shall not be added if the loss is derived  
2 from the sale of bullion as a taxable distribution from any retirement  
3 plan account that holds gold or silver bullion. For the purposes of this  
4 subsection, bullion has the same meaning as in section 77-2704.66.

5 (26) There shall be subtracted from federal adjusted gross income  
6 or, for corporations and fiduciaries, federal taxable income for all  
7 taxable years beginning on or after January 1, 2025, the amount of any  
8 net capital gain that is derived from the sale or exchange of gold or  
9 silver bullion to the extent such gain is included in federal adjusted  
10 gross income except that such gain shall not be subtracted if the gain is  
11 derived from the sale of bullion as a taxable distribution from any  
12 retirement plan account that holds gold or silver bullion. For the  
13 purposes of this subsection, bullion has the same meaning as in section  
14 77-2704.66.

15 (27)(a) For taxable years beginning or deemed to begin on or after  
16 January 1, 2027, under the Internal Revenue Code of 1986, as amended,  
17 federal adjusted gross income shall be reduced by the amount contributed  
18 to a first-time home buyer savings account under the First-Time Home  
19 Buyer Savings Account Act not to exceed five thousand dollars for  
20 individual taxpayers or ten thousand dollars for married filing jointly  
21 taxpayers and, to the extent included, by an amount equal to any interest  
22 and other income earned during the taxable year on the investment of  
23 money in a first-time home buyer savings account. Any subtraction taken  
24 under this subdivision is subject to recapture under subdivision (27)(b)  
25 of this section.

26 (b) For taxable years beginning or deemed to begin on or after  
27 January 1, 2027, under the Internal Revenue Code of 1986, as amended,  
28 federal adjusted gross income shall be increased by any amount recaptured  
29 for the taxable year pursuant to section 5 of this act.

30 **Sec. 21.** Section 77-3506, Revised Statutes Supplement, 2025, is  
31 amended to read:

1           77-3506 (1) All homesteads in this state shall be assessed for  
2 taxation the same as other property, except that there shall be exempt  
3 from taxation, on any homestead described in subsection (2) of this  
4 section, one hundred percent of the exempt amount.

5           (2) The exemption described in subsection (1) of this section shall  
6 apply to homesteads of:

7           (a) A veteran who was discharged or otherwise separated with a  
8 characterization of honorable or general (under honorable conditions),  
9 who is drawing compensation from the United States Department of Veterans  
10 Affairs because of (i) one hundred percent service-connected permanent  
11 disability or (ii) assignment of total disability rating for compensation  
12 pursuant to 38 C.F.R. 4.16, and who is not eligible for total exemption  
13 under sections 77-3526 to 77-3528;

14           (b) An unremarried surviving spouse of a veteran described in  
15 subdivision (2)(a) of this section or a surviving spouse of such a  
16 veteran who remarries after attaining the age of fifty-seven years;

17           (c) A veteran who was discharged or otherwise separated with a  
18 characterization of honorable or general (under honorable conditions),  
19 who is drawing compensation from the United States Department of Veterans  
20 Affairs because of one hundred percent service-connected temporary  
21 disability, and who is not eligible for total exemption under sections  
22 77-3526 to 77-3528, an unremarried surviving spouse of such a veteran, or  
23 a surviving spouse of such a veteran who remarries after attaining the  
24 age of fifty-seven years;

25           (d) An unremarried surviving spouse of any veteran, including a  
26 veteran other than a veteran described in section 80-401.01, who was  
27 discharged or otherwise separated with a characterization of honorable or  
28 general (under honorable conditions) and who died because of a service-  
29 connected disability or a surviving spouse of such a veteran who  
30 remarries after attaining the age of fifty-seven years;

31           (e) An unremarried surviving spouse of a serviceman or servicewoman,

1 including a veteran other than a veteran described in section 80-401.01,  
2 whose death while on active duty was service-connected or a surviving  
3 spouse of such a serviceman or servicewoman who remarries after attaining  
4 the age of fifty-seven years; and

5 (f) An unremarried surviving spouse of a serviceman or servicewoman  
6 who died while on active duty during the periods described in section  
7 80-401.01 or a surviving spouse of such a serviceman or servicewoman who  
8 remarries after attaining the age of fifty-seven years.

9 (3) Application for exemption under subdivision (2)(a), ~~(b), (d),~~  
10 ~~(e), or (f)~~ of this section shall not be required in any every subsequent  
11 year ~~evenly divisible by five and shall include certification of the~~  
12 ~~status described in subdivision (2)(a) of this section from the United~~  
13 ~~States Department of Veterans Affairs.~~ Application for exemption under  
14 subdivision ~~(2)(c) (2)(b), (c), (d), (e), or (f)~~ of this section shall be  
15 required annually and shall include certification of the status described  
16 in subdivision ~~(2)(c) (2)(b), (c), (d), (e), or (f)~~ of this section from  
17 the United States Department of Veterans Affairs ~~, except that such~~  
18 ~~certification of status shall only be required in every subsequent year~~  
19 ~~evenly divisible by five.~~

20 (4)(a) If an unremarried surviving spouse who has been granted a  
21 homestead exemption under subdivision (2)(b), (d), (e), or (f) of this  
22 section remarries before attaining the age of fifty-seven years, such  
23 spouse shall lose the homestead exemption. The surviving spouse shall  
24 notify the county assessor of such remarriage within thirty days after  
25 the remarriage.

26 (b) If an unremarried surviving spouse who has applied for a  
27 homestead exemption under subdivision (2)(b), (d), (e), or (f) of this  
28 section remarries on or before August 15 of the year of application and  
29 before attaining the age of fifty-seven years, such spouse shall be  
30 ineligible for the homestead exemption. The surviving spouse shall notify  
31 the county assessor of such remarriage within thirty days after the

1 remarriage.

2       **Sec. 22.** Section 77-3510, Reissue Revised Statutes of Nebraska, is  
3 amended to read:

4       77-3510 On or before February 1 of each year, the Tax Commissioner  
5 shall prescribe forms to be used by all claimants for homestead exemption  
6 or for transfer of homestead exemption. Such forms shall contain  
7 provisions for the showing of all information which the Tax Commissioner  
8 may deem necessary to (1) enable the county officials and the Tax  
9 Commissioner to determine whether each claim for exemption under sections  
10 77-3506, 77-3507, and 77-3508 should be allowed and (2) enable the county  
11 assessor to determine whether each claim for transfer of homestead  
12 exemption pursuant to section 77-3509.01 should be allowed. It shall be  
13 the duty of the county assessor of each county in this state to furnish  
14 such forms, upon request, to each person desiring to make application for  
15 homestead exemption or for transfer of homestead exemption. The forms so  
16 prescribed shall be used uniformly throughout the state, and no  
17 application for exemption or for transfer of homestead exemption shall be  
18 allowed unless the applicant uses the prescribed form in making an  
19 application. The forms shall require an affirmation for any applicant  
20 seeking an exemption under subdivision (2)(b), (d), (e), or (f) of  
21 section 77-3506 as prescribed by the Tax Commissioner that such applicant  
22 is aware that a surviving spouse is required to notify the county  
23 assessor of any remarriage that causes the surviving spouse to be  
24 ineligible for the exemption pursuant to subsection (4) of section  
25 77-3506. The forms shall require the attachment of an income statement  
26 for any applicant seeking an exemption under section 77-3507 or 77-3508  
27 as prescribed by the Tax Commissioner fully accounting for all household  
28 income. The Tax Commissioner shall provide to each county assessor claim  
29 forms and address lists of applicants from the prior year in the manner  
30 approved by the Tax Commissioner. The application and information  
31 contained on any attachments to the application shall be confidential and

1 available to tax officials only.

2 **Sec. 23.** Section 77-3512, Revised Statutes Cumulative Supplement,  
3 2024, is amended to read:

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

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

13 (b) An owner may file a late application pursuant to section  
14 77-3514.01 if he or she includes documentation of a medical condition  
15 which impaired the owner's ability to file the application in a timely  
16 manner;

17 (c) An owner may file a late application pursuant to section  
18 77-3514.01 if he or she includes a copy of the death certificate of a  
19 spouse who died during the year for which the exemption is requested; and

20 (d) A veteran or surviving spouse of a veteran, serviceman, or  
21 servicewoman qualifying for a homestead exemption under subdivision (2)  
22 (a), (b), (d), (e), or (f) of section 77-3506 shall not only be required  
23 to file an application in any every subsequent year, evenly divisible by  
24 five; and

25 ~~(e) If a veteran who has been granted a homestead exemption under~~  
26 ~~subdivision (2)(a) of section 77-3506 dies during the five-year exemption~~  
27 ~~period, the surviving spouse of such veteran shall continue to receive~~  
28 ~~such exemption for the remainder of the five-year exemption period. After~~  
29 ~~the expiration of the five-year exemption period, the surviving spouse~~  
30 ~~shall be required to file for an exemption under subdivision (2)(b) of~~  
31 ~~section 77-3506 on an annual basis.~~

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

4 **Sec. 24.** Section 2, Legislative Bill 901, One Hundred Ninth  
5 Legislature, Second Session, 2026, is amended to read:

6 Sec. 2. (1) For taxable years beginning or deemed to begin on or  
7 after January 1, 2027, under the Internal Revenue Code of 1986, as  
8 amended, there shall be allowed refundable credits against the income tax  
9 imposed by the Nebraska Revenue Act of 1967 as follows:

10 (a) Two hundred forty thousand dollars of tax credits to be  
11 distributed equally among qualifying domestic violence and sexual assault  
12 programs run by tribal governments;

13 (b) One hundred fifty thousand dollars of tax credits to be  
14 distributed to a statewide coalition representing nonprofit organizations  
15 that have an affiliation agreement with the Department of Health and  
16 Human Services to provide services to victims of domestic abuse under the  
17 Protection from Domestic Abuse Act;

18 (c) One million forty-four thousand dollars of tax credits to be  
19 distributed equally to the nonprofit organizations ~~entities~~ described in  
20 subdivision ~~subdivisions~~ (a) and (b) of this subsection and any other  
21 nonprofit organizations that operate a shelter for victims of domestic  
22 violence or human trafficking; and

23 (d) One million five hundred sixty-six thousand dollars of tax  
24 credits to be distributed to the nonprofit organizations ~~entities~~  
25 described in subdivision ~~subdivisions~~ (a) and (b) of this subsection and  
26 any other nonprofit organizations that operate a shelter for victims of  
27 domestic violence or human trafficking as follows:

28 (i) One million two hundred fifty-two thousand eight hundred dollars  
29 of tax credits to be distributed based on the population of the program  
30 or service area as shown by the latest federal decennial census or as  
31 determined by the department if such census data is not available; and

1 (ii) Three hundred thirteen thousand two hundred dollars of tax  
2 credits to be distributed based on the square miles of the program or  
3 service area.

4 (2) The department shall distribute all of the credits allowed under  
5 the Domestic Violence and Human Trafficking Service Providers Tax Credit  
6 Act each calendar year.

7 (3) For purposes of this section:

8 (a) Department means the Department of Revenue;

9 (b) Nonprofit organization means an organization organized under  
10 section 501(c)(3) of the Internal Revenue Code of 1986, as amended; and

11 (c) Tribal has the same meaning as in section 71-914.02.

12 **Sec. 25.** Sections 14, 15, 16, 17, 18, 19, 24, 28, and 29 of this  
13 act become operative on January 1, 2027. Sections 1, 2, 3, 4, 5, 6, 7, 8,  
14 13, 20, 21, 22, 23, and 27 of this act become operative three calendar  
15 months after the adjournment of this legislative session. The other  
16 sections of this act become operative on their effective date.

17 **Sec. 26.** Original section 13-3105, Reissue Revised Statutes of  
18 Nebraska, section 13-3108, Revised Statutes Cumulative Supplement, 2024,  
19 and sections 13-3103 and 13-3106, Revised Statutes Supplement, 2025, are  
20 repealed.

21 **Sec. 27.** Original section 77-3510, Reissue Revised Statutes of  
22 Nebraska, section 77-3512, Revised Statutes Cumulative Supplement, 2024,  
23 and sections 13-3403, 77-2716, and 77-3506, Revised Statutes Supplement,  
24 2025, are repealed.

25 **Sec. 28.** Original section 77-1315, Reissue Revised Statutes of  
26 Nebraska, sections 77-1502, 77-1601, and 77-1776, Revised Statutes  
27 Cumulative Supplement, 2024, section 77-1632, Revised Statutes  
28 Supplement, 2025, and section 2, Legislative Bill 901, One Hundred Ninth  
29 Legislature, Second Session, 2026, are repealed.

30 **Sec. 29.** The following sections are outright repealed: Sections  
31 77-1630 and 77-1634, Revised Statutes Cumulative Supplement, 2024,

1 section 77-1631, Revised Statutes Supplement, 2025, and section 77-1633,  
2 Revised Statutes Supplement, 2025, as amended by section 1, Legislative  
3 Bill 384, One Hundred Ninth Legislature, Second Session, 2026.

4 **Sec. 30.** Since an emergency exists, this act takes effect when  
5 passed and approved according to law.