

## LEGISLATIVE BILL 803

Approved by the Governor April 16, 2026

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

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

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

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

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

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

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

(2) Department means the Department of Revenue;

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

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

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

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

(b) As a result of the individual's dissolution of marriage, has not been listed on a property title for at least three consecutive years or more;

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

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

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

(2) An account holder must designate, no later than April 15 of the year following the taxable year during which the account is established, a first-time home buyer as the qualified beneficiary of the first-time home buyer savings account. The account holder may designate himself or herself as the qualified beneficiary. The account holder may change the designated qualified

beneficiary at any time, but there shall not be more than one qualified beneficiary at any time. An account holder shall not have multiple accounts with the same qualified beneficiary, but an individual may be designated as the qualified beneficiary of multiple accounts.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) The money is from a first-time home buyer savings account for which the qualified beneficiary dies and the account holder does not designate a new qualified beneficiary during the same taxable year.

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

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

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

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

(b) Track the use of money withdrawn from a first-time home buyer savings

account; or

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

13-3106 (1) After consideration of the application and the evidence, the board shall determine whether or not to approve the application. For applications submitted on or after the operative date of this section, the board shall make its determination within sixty days after the public hearing held pursuant to section 13-3105. For applications submitted prior to the operative date of this section, the board shall make its determination within sixty days after the public hearing held pursuant to section 13-3105 or within sixty days after the operative date of this section, whichever period is later. The application shall be approved unless the board finds that the project described in the application is ineligible or that state assistance is not in the best interest of the state. if the board finds that the project described in the application is eligible and that state assistance is in the best interest of the state, the application shall be approved, except that:

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

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

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

(5) (3) A majority of the board members constitutes a quorum for the purpose of conducting business. All actions of the board shall be by a majority vote of ~~all~~ the board members present at the board meeting, ~~one of whom must be the Governor.~~

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

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

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

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

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

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

(ii) For any eligible sports arena facility that is a sports complex located in a city of the second class or village, twenty-five percent of the (A) state sales tax revenue collected by retailers doing business at eligible sports arena facilities on sales at such facilities, (B) state sales tax revenue collected on primary and secondary box office sales of admissions to such facilities, and (C) new state sales tax revenue collected by nearby retailers and sourced under sections 77-2703.01 to 77-2703.04 to the program area.

(b) The amount to be appropriated for distribution as state assistance to a political subdivision under this subsection for any one year after the tenth year shall not exceed the highest such amount appropriated under subdivision (3)(a) of this section during any one year of the first ten years of such

appropriation. If seventy percent of the state sales tax revenue as described in subdivision (3)(a) of this section exceeds the amount to be appropriated under this subdivision, such excess funds shall be transferred to the General Fund. This subdivision does not apply to any eligible sports arena facility that is a sports complex located in a city of the second class or village.

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

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

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

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

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

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

(iii) No state assistance for any large public stadium shall be paid until after July 1, 2027.

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

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

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

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

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

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

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

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

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

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

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

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

13-3403 (1) Except as otherwise provided in the Property Tax Growth Limitation Act, for fiscal years beginning on or after July 1, 2025, a political subdivision's property tax request for any year shall not exceed its property tax request authority as determined under this section. The preliminary property tax request authority for each political subdivision shall be the amount of property taxes requested and approved by each political subdivision and included on the budget document filed with the auditor in the prior fiscal year pursuant to subsection (2) of section 13-506, less the sum of exceptions utilized in the prior year pursuant to subdivisions (1), (2), (4), (5), (6), and ~~to~~ (7) of section 13-3404.

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

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

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

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

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

(2) On or before June 1, in addition to the notice of preliminary valuation sent pursuant to section 77-1301, the county assessor shall create a notice to be delivered to notify the owner of record as of May 20 of the assessed value of every item of real property not exempt from taxation which has been assessed at a value different than in the previous year. Such notice shall be delivered given by first-class mail addressed to such owner's last-known address. It shall identify the item of real property and shall display a column for the prior tax year and the current tax year. Under the column for the prior tax year, the notice shall display the valuation of the parcel in the prior tax year, the amount each city, county, and school district levied against such parcel in the prior tax year, and the total amount of taxes levied against such parcel in the prior tax year by the city, county, and school district. Under the column for the current tax year, the notice shall display the valuation of the parcel in the current tax year and the total amount of taxes that would be levied against such parcel by each city, county, and school district using the previous year's rate of levy. The notice shall state that the tax amounts do not include any homestead exemptions or property tax credits. The notice shall state the following, in a font size larger than any other font appearing on the notice: "KNOW YOUR RIGHTS: If you believe the valuation of the parcel described in this notice to be in error, you may file a protest of this valuation with the county clerk on or before June 30, and your protest shall be decided by the county board of equalization. Your protest must be accompanied by documentation sufficient to justify the requested valuation; if not, your protest will be dismissed. If you are concerned about the effect your valuation may have on how much tax will be levied against your parcel, you are encouraged to attend any and all of the budget hearings for the political subdivisions listed above. This notice displays the amount of tax which would be levied if the levy rate for each of the listed political subdivisions were unchanged from the prior year. The valuation for your parcel will not be certified to the listed political subdivisions by the county until August 20." The notice shall include the date of convening of the county board of equalization and the dates for filing a protest. The notice shall also state the following: "The time and place of the budget hearings will be reported to the county assessor by each political subdivision listed above on or before June 1. Such time and place can change based on unforeseen circumstances. You are encouraged to verify with each listed political subdivision that the time and place of the budget hearings has not changed. You will receive a postcard from the state, mailed on or before July 1, which will provide further information." ~~state the old and new valuation, the date of convening of the county board of equalization, and the dates for filing a protest.~~

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

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

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

(6) On or before June 1, the county assessor shall send the Property Tax Administrator a report which includes:

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

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

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

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

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

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

77-1502 (1) The county board of equalization shall meet for the purpose of reviewing and deciding written protests filed pursuant to this section beginning on or after June 1 and ending on or before July 25 of each year. Protests regarding real property shall be signed and filed after the county assessor's completion of the real property assessment roll required by section 77-1315 and on or before June 30. For protests of real property, a protest shall be filed for each parcel. Protests regarding taxable tangible personal property returns filed pursuant to section 77-1229 from January 1 through May 1 shall be signed and filed on or before June 30. The county board in a county with a population of more than one hundred thousand inhabitants based upon the most recent federal decennial census may adopt a resolution to extend the deadline for hearing protests from July 25 to August 10. The resolution must be adopted before July 25 and it will affect the time for hearing protests for that year only. By adopting such resolution, such county waives any right to petition the Tax Equalization and Review Commission for adjustment of a class or subclass of real property under section 77-1504.01 for that year.

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

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

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

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

(6) On or before August 2, or on or before August 18 in a county that has adopted a resolution to extend the deadline for hearing protests, the county

clerk shall mail to the protester written notice of the board's decision. The notice shall contain a statement advising the protester that a report of the board's decision is available at the county clerk's or county assessor's office, whichever is appropriate. If the protester is not an owner of the property involved in the protest or a person authorized to protest on behalf of the owner, the county clerk shall also mail written notice of the board's decision to the owner of such property at the address to which the property tax statements are mailed.

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

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

(2) On or before November 5, the county board of equalization upon its own motion may act to correct a clerical error which has resulted in the calculation of an incorrect levy by any entity with a tax request as provided in sections 77-3442 to 77-3444, including requests certified under section 77-1632 the Property Tax Request Act. The county board of equalization shall hold a public hearing to determine what adjustment to the levy is proper, legal, or necessary. Notice shall be provided to the governing body of each political subdivision affected by the error. Notice of the hearing as required by section 84-1411 shall include the following: (a) The time and place of the hearing, (b) the dollar amount at issue, and (c) a statement setting forth the nature of the error.

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

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

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

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

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

(2) (1) If the annual assessment of property would result in an increase in the total property taxes levied by a political subdivision county, city, village, school district, learning community, sanitary and improvement district, natural resources district, educational service unit, or community college, as determined using the previous year's rate of levy, such political subdivision's property tax request for the current year shall be no more than its property tax request in the prior year, and the political subdivision's rate of levy for the current year shall be decreased accordingly when such rate is set by the county board of equalization pursuant to section 77-1601. The governing body of the political subdivision shall pass a resolution or ordinance to set the amount of its property tax request after holding the public hearing required in subsection (4) (3) of this section. If the governing body of a political subdivision seeks to set its property tax request at an amount that exceeds its property tax request in the prior year, it may do so, subject to the limitations provided in the School District Property Tax Limitation Act and the Property Tax Growth Limitation Act, after holding the public hearing required in subsection (4) (3) of this section and by passing a resolution or ordinance, by a two-thirds majority vote except for seven-member boards which shall require a four-sevenths majority vote, that complies with subsection (5) (4) of this section. If any county, city, or school district seeks to increase its property tax request by more than the allowable growth percentage, such political subdivision shall comply with the requirements of section 77-1633 in lieu of the requirements in subsections (3) and (4) of this section.

(3) (2) If the annual assessment of property would result in no change or a decrease in the total property taxes levied by a political subdivision county, city, village, school district, learning community, sanitary and improvement district, natural resources district, educational service unit, or community college, as determined using the previous year's rate of levy, such political subdivision's property tax request for the current year shall be no more than its property tax request in the prior year, and the political subdivision's rate of levy for the current year shall be adjusted accordingly when such rate is set by the county board of equalization pursuant to section 77-1601. The governing body of the political subdivision shall pass a resolution or ordinance to set the amount of its property tax request after holding the public hearing required in subsection (4) (3) of this section. If the governing body of a political subdivision seeks to set its property tax request at an amount that exceeds its property tax request in the prior year,

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

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

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

- (a) The name of the political subdivision;
- (b) The amount of the property tax request;
- (c) The following statements:
  - (i) The total assessed value of property differs from last year's total assessed value by ..... percent;
  - (ii) The tax rate which would levy the same amount of property taxes as last year, when multiplied by the new total assessed value of property, would be \$..... per \$100 of assessed value;
  - (iii) The (name of political subdivision) proposes to adopt a property tax request that will cause its tax rate to be \$..... per \$100 of assessed value; and

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

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

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

**Sec. 18.** (1) Each county and each city or school district levying a tax on property within a county shall participate in a joint public hearing. Each such political subdivision shall designate one representative to attend the joint public hearing on behalf of the political subdivision. If a political subdivision includes area in more than one county, the political subdivision shall be deemed to be within the county in which the political subdivision's principal headquarters are located. At such hearing, there shall be no items on the agenda other than discussion on each political subdivision's budget process and preliminary information on relevant data that would impact the political subdivision's budget in the current year.

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

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

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

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

(6) Any member of the public shall be allowed to speak at the joint public

hearing and shall be given a reasonable amount of time to do so.

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

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

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

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

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

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

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

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

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

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

(a)(i) There shall be subtracted interest or dividends received by the owner of obligations of the United States and its territories and possessions or of any authority, commission, or instrumentality of the United States to the extent includable in gross income for federal income tax purposes but exempt from state income taxes under the laws of the United States; and

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

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

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

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

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

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

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

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

(4) Federal adjusted gross income, or, for a fiduciary, federal taxable

income shall be modified to exclude the portion of the income or loss received from a small business corporation with an election in effect under subchapter S of the Internal Revenue Code or from a limited liability company organized pursuant to the Nebraska Uniform Limited Liability Company Act that is not derived from or connected with Nebraska sources as determined in section 77-2734.01.

(5) There shall be subtracted from federal adjusted gross income or, for corporations and fiduciaries, federal taxable income dividends received or deemed to be received from corporations which are not subject to the Internal Revenue Code.

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

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

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

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

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

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

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

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

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

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

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

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

(b) For a partnership, limited liability company, cooperative, including any cooperative exempt from income taxes under section 521 of the Internal Revenue Code of 1986, as amended, limited cooperative association, subchapter S corporation, or joint venture, the increase shall be distributed to the partners, members, shareholders, patrons, or beneficiaries in the same manner

as income is distributed for use against their income tax liabilities.

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

(d) The amount of bonus depreciation added to federal adjusted gross income or, for corporations and fiduciaries, federal taxable income by this subsection shall be subtracted in a later taxable year. Twenty percent of the total amount of bonus depreciation added back by this subsection for tax years beginning or deemed to begin before January 1, 2003, under the Internal Revenue Code of 1986, as amended, may be subtracted in the first taxable year beginning or deemed to begin on or after January 1, 2005, under the Internal Revenue Code of 1986, as amended, and twenty percent in each of the next four following taxable years. Twenty percent of the total amount of bonus depreciation added back by this subsection for tax years beginning or deemed to begin on or after January 1, 2003, may be subtracted in the first taxable year beginning or deemed to begin on or after January 1, 2006, under the Internal Revenue Code of 1986, as amended, and twenty percent in each of the next four following taxable years.

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

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

(b) For taxable years beginning or deemed to begin before January 1, 2018, under the Internal Revenue Code of 1986, as amended, federal adjusted gross income shall be increased by the withdrawals made as a participant in the Nebraska long-term care savings plan under the act by a person who is not a qualified individual or for any reason other than transfer of funds to a spouse, long-term care expenses, long-term care insurance premiums, or death of the participant, including withdrawals made by reason of cancellation of the participation agreement, to the extent previously deducted as a contribution or as investment earnings.

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

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

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

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

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

(c) For taxable years beginning or deemed to begin on or after January 1, 2021, and before January 1, 2024, under the Internal Revenue Code of 1986, as amended, a taxpayer may claim the reduction to federal adjusted gross income allowed under this subsection or the reduction to federal adjusted gross income allowed under subsection (14) of this section, whichever provides the greater reduction.

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

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

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

(iii) Sixty percent for taxable years beginning or deemed to begin on or

after January 1, 2023, and before January 1, 2024, under the Internal Revenue Code of 1986, as amended; and

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

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

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

(15)(a) For taxable years beginning or deemed to begin on or after January 1, 2015, and before January 1, 2022, under the Internal Revenue Code of 1986, as amended, an individual may make a one-time election within two calendar years after the date of his or her retirement from the military to exclude income received as a military retirement benefit by the individual to the extent included in federal adjusted gross income and as provided in this subdivision. The individual may elect to exclude forty percent of his or her military retirement benefit income for seven consecutive taxable years beginning with the year in which the election is made or may elect to exclude fifteen percent of his or her military retirement benefit income for all taxable years beginning with the year in which he or she turns sixty-seven years of age.

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

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

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

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

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

(17) For taxable years beginning or deemed to begin on or after January 1, 2022, under the Internal Revenue Code of 1986, as amended, federal adjusted gross income shall be reduced by the amount received by or on behalf of a firefighter for cancer benefits under the Firefighter Cancer Benefits Act to the extent included in federal adjusted gross income.

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

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

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

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

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

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

(c) Serving in a state active duty status.

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

(b) For taxable years beginning or deemed to begin on or after January 1,

2024, under the Internal Revenue Code of 1986, as amended, federal adjusted gross income or, for corporations and fiduciaries, federal taxable income shall be reduced by the amount of contributions made to the Medical Debt Relief Fund, to the extent not deducted for federal income tax purposes.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(f) An unremarried surviving spouse of a serviceman or servicewoman who died while on active duty during the periods described in section 80-401.01 or a surviving spouse of such a serviceman or servicewoman who remarries after

attaining the age of fifty-seven years.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(3) For purposes of this section:

(a) Department means the Department of Revenue;

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

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

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

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

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

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

**Sec. 29.** The following sections are outright repealed: Sections 77-1630 and 77-1634, Revised Statutes Cumulative Supplement, 2024, section 77-1631, Revised Statutes Supplement, 2025, and section 77-1633, Revised Statutes Supplement, 2025, as amended by section 1, Legislative Bill 384, One Hundred Ninth Legislature, Second Session, 2026.

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