

LEGISLATURE OF NEBRASKA  
ONE HUNDRED FOURTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 71**

Introduced by Schumacher, 22.

Read first time January 08, 2015

Committee: Revenue

- 1 A BILL FOR AN ACT relating to revenue and taxation; to adopt the
- 2 Agricultural Property Tax Credit Act; and to provide a property tax
- 3 credit for agricultural land and horticultural land as prescribed.
- 4 Be it enacted by the people of the State of Nebraska,

1           Section 1. Sections 1 to 6 of this act shall be known and may be  
2 cited as the Agricultural Property Tax Credit Act.

3           Sec. 2. The purpose of the Agricultural Property Tax Credit Act is  
4 to provide property tax relief for agricultural land and horticultural  
5 land. The property tax relief will be made to owners of agricultural land  
6 and horticultural land in the form of a property tax credit.

7           Sec. 3. For purposes of the Agricultural Property Tax Credit Act:

8           (1) Actual value has the same meaning as in section 77-112;

9           (2) Agricultural land and horticultural land has the same meaning as  
10 in section 77-1359;

11           (3) Excessive sales price means the amount obtained by taking the  
12 sales price of the agricultural land and horticultural land and  
13 subtracting the inflation-adjusted value of such land; and

14           (4) Inflation-adjusted value means the actual value of the  
15 agricultural land and horticultural land as determined and used by the  
16 county assessor in the year 1993 adjusted by the cumulative percentage  
17 change in the Consumer Price Index for All Urban Consumers published by  
18 the Federal Bureau of Labor Statistics from January 1, 1993, to the date  
19 of sale of such agricultural land and horticultural land.

20           Sec. 4. The Agricultural Property Tax Relief Fund is created. The  
21 fund shall only be used pursuant to the Agricultural Property Tax Credit  
22 Act. Any money in the fund available for investment shall be invested by  
23 the state investment officer pursuant to the Nebraska Capital Expansion  
24 Act and the Nebraska State Funds Investment Act.

25           Sec. 5. There is hereby imposed a tax of seven percent on the  
26 excessive sales price of agricultural land and horticultural land that is  
27 sold within the State of Nebraska. The tax shall be due from the  
28 purchaser of the agricultural land and horticultural land and shall be  
29 collected by the register of deeds of the county in which the  
30 agricultural land and horticultural land is located at the time the deed  
31 for such property is presented for recordation. All funds collected by

1 the register of deeds shall be remitted to the State Treasurer for credit  
2 to the Agricultural Property Tax Relief Fund.

3       Sec. 6. (1) The relief granted under the Agricultural Property Tax  
4 Credit Act shall be in the form of a property tax credit which appears on  
5 the property tax statement for all agricultural land and horticultural  
6 land.

7       (2) To determine the amount of the property tax credit for each  
8 parcel of agricultural land and horticultural land, the county treasurer  
9 shall multiply the amount disbursed to the county under subsection (3) of  
10 this section by the ratio of the real property valuation of the parcel of  
11 agricultural land and horticultural land to the total real property  
12 valuation of all agricultural land and horticultural land in the county.  
13 The amount determined shall be the property tax credit for such parcel.

14       (3) The amount disbursed to each county shall be equal to the  
15 balance of the Agricultural Property Tax Relief Fund multiplied by the  
16 ratio of the real property valuation of all agricultural land and  
17 horticultural land in the county to the real property valuation of all  
18 agricultural land and horticultural land in the state. By September 15,  
19 the Property Tax Administrator shall determine the amount to be disbursed  
20 under this subsection to each county and certify such amounts to the  
21 State Treasurer and to each county. The disbursements to the counties  
22 shall occur in two equal payments, the first on or before January 31 and  
23 the second on or before April 1. After retaining one percent of the  
24 receipts for costs, the county treasurer shall allocate the remaining  
25 receipts to each taxing unit levying taxes on agricultural land and  
26 horticultural land in the tax district in which the agricultural land and  
27 horticultural land is located in the same proportion that the levy of  
28 such taxing unit bears to the total levy on agricultural land and  
29 horticultural land of all the taxing units in the tax district in which  
30 the agricultural land and horticultural land is located.