AMENDMENTS TO LB2

Introduced by Revenue.

1. Strike the original sections and insert the following new sections:

Section 1. Section 77-201, Reissue Revised Statutes of Nebraska, is amended to read:

77-201 (1) Except as provided in subsections (2) through (4) of this section, all real property in this state, not expressly exempt therefrom, shall be subject to taxation and shall be valued at its actual value.

(2) Agricultural land and horticultural land as defined in section 77-1359 shall constitute a separate and distinct class of property for purposes of property taxation, shall be subject to taxation, unless expressly exempt from taxation, and shall be valued at seventy-five percent of its actual value, except that for school district taxes levied to pay the principal and interest on bonds that are issued on or after the operative date of this act, such land shall be valued at fifty percent of its actual value.

(3) Agricultural land and horticultural land actively devoted to agricultural or horticultural purposes which has value for purposes other than agricultural or horticultural uses and which meets the qualifications for special valuation under section 77-1344 shall constitute a separate and distinct class of property for purposes of property taxation, shall be subject to taxation, and shall be valued for taxation at seventy-five percent of its special valuation as defined in section 77-1343, except that for school district taxes levied to pay the principal and interest on bonds that are issued on or after the operative date of this act, such land shall be valued at fifty percent of its special valuation as defined in section 77-1343.

(4) Historically significant real property which meets the
qualifications for historic rehabilitation valuation under sections 77-1385 to 77-1394 shall be valued for taxation as provided in such sections.

(5) Tangible personal property, not including motor vehicles, trailers, and semitrailers registered for operation on the highways of this state, shall constitute a separate and distinct class of property for purposes of property taxation, shall be subject to taxation, unless expressly exempt from taxation, and shall be valued at its net book value. Tangible personal property transferred as a gift or devise or as part of a transaction which is not a purchase shall be subject to taxation based upon the date the property was acquired by the previous owner and at the previous owner's Nebraska adjusted basis. Tangible personal property acquired as replacement property for converted property shall be subject to taxation based upon the date the converted property was acquired and at the Nebraska adjusted basis of the converted property unless insurance proceeds are payable by reason of the conversion. For purposes of this subsection, (a) converted property means tangible personal property which is compulsorily or involuntarily converted as a result of its destruction in whole or in part, theft, seizure, requisition, or condemnation, or the threat or imminence thereof, and no gain or loss is recognized for federal or state income tax purposes by the holder of the property as a result of the conversion and (b) replacement property means tangible personal property acquired within two years after the close of the calendar year in which tangible personal property was converted and which is, except for date of construction or manufacture, substantially the same as the converted property.

Sec. 2. Section 77-4212, Revised Statutes Cumulative Supplement, 2020, is amended to read:

77-4212 (1) For tax year 2007, the amount of relief granted under the Property Tax Credit Act shall be one hundred five million dollars. For tax year 2008, the amount of relief granted under the act shall be
one hundred fifteen million dollars. It is the intent of the Legislature
to fund the Property Tax Credit Act for tax years after tax year 2008
using available revenue. For tax year 2017, the amount of relief granted
under the act shall be two hundred twenty-four million dollars. For tax
years year 2020 through 2023 and each tax year thereafter, the minimum
amount of relief granted under the act shall be two hundred seventy-five
million dollars. For tax year 2024 and each tax year thereafter, the
minimum amount of relief granted under the act shall be the minimum
amount from the prior tax year increased by three percent. If money is
transferred or credited to the Property Tax Credit Cash Fund pursuant to
any other state law, such amount shall be added to the minimum amount
required under this subsection when determining the total amount of
relief granted under the act. The relief shall be in the form of a
property tax credit which appears on the property tax statement.

(2)(a) For tax years prior to tax year 2017, to determine the amount
of the property tax credit, the county treasurer shall multiply the
amount disbursed to the county under subdivision (4)(a) of this section
by the ratio of the real property valuation of the parcel to the total
real property valuation in the county. The amount determined shall be the
property tax credit for the property.

(b) Beginning with tax year 2017, to determine the amount of the
property tax credit, the county treasurer shall multiply the amount
dischursed to the county under subdivision (4)(b) of this section by the
ratio of the credit allocation valuation of the parcel to the total
credit allocation valuation in the county. The amount determined shall be the
property tax credit for the property.

(3) If the real property owner qualifies for a homestead exemption
under sections 77-3501 to 77-3529, the owner shall also be qualified for
the relief provided in the act to the extent of any remaining liability
after calculation of the relief provided by the homestead exemption. If
the credit results in a property tax liability on the homestead that is
less than zero, the amount of the credit which cannot be used by the
taxpayer shall be returned to the State Treasurer by July 1 of the year
the amount disbursed to the county was disbursed. The State Treasurer
shall immediately credit any funds returned under this subsection to the
Property Tax Credit Cash Fund. Upon the return of any funds under this
subsection, the county treasurer shall electronically file a report with
the Property Tax Administrator, on a form prescribed by the Tax
Commissioner, indicating the amount of funds distributed to each taxing
unit in the county in the year the funds were returned, any collection
fee retained by the county in such year, and the amount of unused credits
returned.

(4)(a) For tax years prior to tax year 2017, the amount disbursed to
each county shall be equal to the amount available for disbursement
determined under subsection (1) of this section multiplied by the ratio
of the real property valuation in the county to the real property
valuation in the state. By September 15, the Property Tax Administrator
shall determine the amount to be disbursed under this subdivision to each
county and certify such amounts to the State Treasurer and to each
county. The disbursements to the counties shall occur in two equal
payments, the first on or before January 31 and the second on or before
April 1. After retaining one percent of the receipts for costs, the
county treasurer shall allocate the remaining receipts to each taxing
unit levying taxes on taxable property in the tax district in which the
real property is located in the same proportion that the levy of such
taxing unit bears to the total levy on taxable property of all the taxing
units in the tax district in which the real property is located.

(b) Beginning with tax year 2017, the amount disbursed to each
county shall be equal to the amount available for disbursement determined
under subsection (1) of this section multiplied by the ratio of the
credit allocation valuation in the county to the credit allocation
valuation in the state. By September 15, the Property Tax Administrator
shall determine the amount to be disbursed under this subdivision to each county and certify such amounts to the State Treasurer and to each county. The disbursements to the counties shall occur in two equal payments, the first on or before January 31 and the second on or before April 1. After retaining one percent of the receipts for costs, the county treasurer shall allocate the remaining receipts to each taxing unit based on its share of the credits granted to all taxpayers in the taxing unit.

(5) For purposes of this section, credit allocation valuation means the taxable value for all real property except agricultural land and horticultural land, one hundred twenty percent of taxable value for agricultural land and horticultural land that is not subject to special valuation, and one hundred twenty percent of taxable value for agricultural land and horticultural land that is subject to special valuation.

(6) The State Treasurer shall transfer from the General Fund to the Property Tax Credit Cash Fund one hundred five million dollars by August 1, 2007, and one hundred fifteen million dollars by August 1, 2008.

(7) The Legislature shall have the power to transfer funds from the Property Tax Credit Cash Fund to the General Fund.

Sec. 3. Section 77-5023, Reissue Revised Statutes of Nebraska, is amended to read:

77-5023 (1) Pursuant to section 77-5022, the commission shall have the power to increase or decrease the value of a class or subclass of real property in any county or taxing authority or of real property valued by the state so that all classes or subclasses of real property in all counties fall within an acceptable range.

(2) An acceptable range is the percentage of variation from a standard for valuation as measured by an established indicator of central tendency of assessment. Acceptable ranges are: (a) For agricultural land and horticultural land as defined in section 77-1359, sixty-nine to
seventy-five percent of actual value, except that for school district

taxes levied to pay the principal and interest on bonds that are issued
on or after the operative date of this act, the acceptable range is
forty-four to fifty percent of actual value; (b) for lands receiving
special valuation, sixty-nine to seventy-five percent of special
valuation as defined in section 77-1343, except that for school district
taxes levied to pay the principal and interest on bonds that are issued
on or after the operative date of this act, the acceptable range is
forty-four to fifty percent of special valuation as defined in section
77-1343; and (c) for all other real property, ninety-two to one hundred
percent of actual value.

(3) Any increase or decrease shall cause the level of value
determined by the commission to be at the midpoint of the applicable
acceptable range.

(4) Any decrease or increase to a subclass of property shall also
cause the level of value determined by the commission for the class from
which the subclass is drawn to be within the applicable acceptable range.

(5) Whether or not the level of value determined by the commission
falls within an acceptable range or at the midpoint of an acceptable
range may be determined to a reasonable degree of certainty relying upon
generally accepted mass appraisal techniques.

Sec. 4. This act becomes operative on January 1, 2022.

Sec. 5. Original sections 77-201 and 77-5023, Reissue Revised
Statutes of Nebraska, and section 77-4212, Revised Statutes Cumulative
Supplement, 2020, are repealed.