

LEGISLATURE OF NEBRASKA  
ONE HUNDRED FIFTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 468**

Introduced by Krist, 10.

Read first time January 17, 2017

Committee:

1 A BILL FOR AN ACT relating to revenue and taxation; to amend section  
2 77-2715.09, Reissue Revised Statutes of Nebraska, and sections  
3 77-202, 77-1238, 77-1239, 77-2715.03, 77-27,132, and 77-4212,  
4 Revised Statutes Cumulative Supplement, 2016; to change provisions  
5 relating to certain property tax exemptions, inflation adjustments  
6 to income tax brackets, the tax treatment of certain extraordinary  
7 dividends and capital gains, the distribution of sales and use  
8 taxes, and property tax credits; to harmonize provisions; to repeal  
9 the original sections; and to declare an emergency.  
10 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-202, Revised Statutes Cumulative Supplement,  
2 2016, is amended to read:

3 77-202 (1) The following property shall be exempt from property  
4 taxes:

5 (a) Property of the state and its governmental subdivisions to the  
6 extent used or being developed for use by the state or governmental  
7 subdivision for a public purpose. For purposes of this subdivision:

8 (i) Property of the state and its governmental subdivisions means  
9 (A) property held in fee title by the state or a governmental subdivision  
10 or (B) property beneficially owned by the state or a governmental  
11 subdivision in that it is used for a public purpose and is being acquired  
12 under a lease-purchase agreement, financing lease, or other instrument  
13 which provides for transfer of legal title to the property to the state  
14 or a governmental subdivision upon payment of all amounts due thereunder.  
15 If the property to be beneficially owned by a governmental subdivision  
16 has a total acquisition cost that exceeds the threshold amount or will be  
17 used as the site of a public building with a total estimated construction  
18 cost that exceeds the threshold amount, then such property shall qualify  
19 for an exemption under this section only if the question of acquiring  
20 such property or constructing such public building has been submitted at  
21 a primary, general, or special election held within the governmental  
22 subdivision and has been approved by the voters of the governmental  
23 subdivision. For purposes of this subdivision, threshold amount means the  
24 greater of fifty thousand dollars or six-tenths of one percent of the  
25 total actual value of real and personal property of the governmental  
26 subdivision that will beneficially own the property as of the end of the  
27 governmental subdivision's prior fiscal year; and

28 (ii) Public purpose means use of the property (A) to provide public  
29 services with or without cost to the recipient, including the general  
30 operation of government, public education, public safety, transportation,  
31 public works, civil and criminal justice, public health and welfare,

1 developments by a public housing authority, parks, culture, recreation,  
2 community development, and cemetery purposes, or (B) to carry out the  
3 duties and responsibilities conferred by law with or without  
4 consideration. Public purpose does not include leasing of property to a  
5 private party unless the lease of the property is at fair market value  
6 for a public purpose. Leases of property by a public housing authority to  
7 low-income individuals as a place of residence are for the authority's  
8 public purpose;

9 (b) Unleased property of the state or its governmental subdivisions  
10 which is not being used or developed for use for a public purpose but  
11 upon which a payment in lieu of taxes is paid for public safety, rescue,  
12 and emergency services and road or street construction or maintenance  
13 services to all governmental units providing such services to the  
14 property. Except as provided in Article VIII, section 11, of the  
15 Constitution of Nebraska, the payment in lieu of taxes shall be based on  
16 the proportionate share of the cost of providing public safety, rescue,  
17 or emergency services and road or street construction or maintenance  
18 services unless a general policy is adopted by the governing body of the  
19 governmental subdivision providing such services which provides for a  
20 different method of determining the amount of the payment in lieu of  
21 taxes. The governing body may adopt a general policy by ordinance or  
22 resolution for determining the amount of payment in lieu of taxes by  
23 majority vote after a hearing on the ordinance or resolution. Such  
24 ordinance or resolution shall nevertheless result in an equitable  
25 contribution for the cost of providing such services to the exempt  
26 property;

27 (c) Property owned by and used exclusively for agricultural and  
28 horticultural societies;

29 (d) Property owned by educational, religious, charitable, or  
30 cemetery organizations, or any organization for the exclusive benefit of  
31 any such educational, religious, charitable, or cemetery organization,

1 and used exclusively for educational, religious, charitable, or cemetery  
2 purposes, when such property is not (i) owned or used for financial gain  
3 or profit to either the owner or user, (ii) used for the sale of  
4 alcoholic liquors for more than twenty hours per week, or (iii) owned or  
5 used by an organization which discriminates in membership or employment  
6 based on race, color, or national origin. For purposes of this  
7 subdivision, educational organization means (A) an institution operated  
8 exclusively for the purpose of offering regular courses with systematic  
9 instruction in academic, vocational, or technical subjects or assisting  
10 students through services relating to the origination, processing, or  
11 guarantying of federally reinsured student loans for higher education or  
12 (B) a museum or historical society operated exclusively for the benefit  
13 and education of the public. For purposes of this subdivision, charitable  
14 organization includes an organization operated exclusively for the  
15 purpose of the mental, social, or physical benefit of the public or an  
16 indefinite number of persons and a fraternal benefit society organized  
17 and licensed under sections 44-1072 to 44-10,109; and

18 (e) Household goods and personal effects not owned or used for  
19 financial gain or profit to either the owner or user.

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

23 (3) Tangible personal property which is not depreciable tangible  
24 personal property as defined in section 77-119 shall be exempt from  
25 property tax.

26 (4) Motor vehicles, trailers, and semitrailers required to be  
27 registered for operation on the highways of this state shall be exempt  
28 from payment of property taxes.

29 (5) Business and agricultural inventory shall be exempt from the  
30 personal property tax. For purposes of this subsection, business  
31 inventory includes personal property owned for purposes of leasing or

1 renting such property to others for financial gain only if the personal  
2 property is of a type which in the ordinary course of business is leased  
3 or rented thirty days or less and may be returned at the option of the  
4 lessee or renter at any time and the personal property is of a type which  
5 would be considered household goods or personal effects if owned by an  
6 individual. All other personal property owned for purposes of leasing or  
7 renting such property to others for financial gain shall not be  
8 considered business inventory.

9 (6) Any personal property exempt pursuant to subsection (2) of  
10 section 77-4105 or section 77-5209.02 shall be exempt from the personal  
11 property tax.

12 (7) Livestock shall be exempt from the personal property tax.

13 (8) Any personal property exempt pursuant to the Nebraska Advantage  
14 Act shall be exempt from the personal property tax.

15 (9) Any depreciable tangible personal property used directly in the  
16 generation of electricity using wind as the fuel source shall be exempt  
17 from the property tax levied on depreciable tangible personal property.  
18 Any depreciable tangible personal property used directly in the  
19 generation of electricity using solar, biomass, or landfill gas as the  
20 fuel source shall be exempt from the property tax levied on depreciable  
21 tangible personal property if such depreciable tangible personal property  
22 was installed on or after January 1, 2016, and has a nameplate capacity  
23 of one hundred kilowatts or more. Depreciable tangible personal property  
24 used directly in the generation of electricity using wind, solar,  
25 biomass, or landfill gas as the fuel source includes, but is not limited  
26 to, wind turbines, rotors and blades, towers, solar panels, trackers,  
27 generating equipment, transmission components, substations, supporting  
28 structures or racks, inverters, and other system components such as  
29 wiring, control systems, switchgears, and generator step-up transformers.

30 (10) Any tangible personal property that is acquired by a person  
31 operating a data center located in this state, that is assembled,

1 engineered, processed, fabricated, manufactured into, attached to, or  
2 incorporated into other tangible personal property, both in component  
3 form or that of an assembled product, for the purpose of subsequent use  
4 at a physical location outside this state by the person operating a data  
5 center shall be exempt from the personal property tax. Such exemption  
6 extends to keeping, retaining, or exercising any right or power over  
7 tangible personal property in this state for the purpose of subsequently  
8 transporting it outside this state for use thereafter outside this state.  
9 For purposes of this subsection, data center means computers, supporting  
10 equipment, and other organized assembly of hardware or software that are  
11 designed to centralize the storage, management, or dissemination of data  
12 and information, environmentally controlled structures or facilities or  
13 interrelated structures or facilities that provide the infrastructure for  
14 housing the equipment, such as raised flooring, electricity supply,  
15 communication and data lines, Internet access, cooling, security, and  
16 fire suppression, and any building housing the foregoing.

17 (11) For each person who owns property required to be reported to  
18 the county assessor under section 77-1201, there shall be allowed, for  
19 each tax year excluding tax years 2018 and 2019, an exemption amount as  
20 provided in the Personal Property Tax Relief Act. For each person who  
21 owns property required to be valued by the state as provided in section  
22 77-601, 77-682, 77-801, or 77-1248, there shall be allowed, for each tax  
23 year excluding tax years 2018 and 2019, a compensating exemption factor  
24 as provided in the Personal Property Tax Relief Act.

25 Sec. 2. Section 77-1238, Revised Statutes Cumulative Supplement,  
26 2016, is amended to read:

27 77-1238 (1) For each tax year excluding tax years 2018 and 2019,  
28 every Every person who is required to list his or her taxable tangible  
29 personal property as defined in section 77-105, as required under section  
30 77-1229, shall receive an exemption from taxation for the first ten  
31 thousand dollars of valuation of his or her tangible personal property in

1 each tax district as defined in section 77-127 in which a personal  
2 property return is required to be filed. Failure to report tangible  
3 personal property on the personal property return required by section  
4 77-1229 shall result in a forfeiture of the exemption for any tangible  
5 personal property not timely reported for that year.

6 (2) For each tax year excluding tax years 2018 and 2019, the The  
7 Property Tax Administrator shall reduce the value of the tangible  
8 personal property owned by each railroad, car line company, public  
9 service entity, and air carrier by a compensating exemption factor to  
10 reflect the exemption allowed in subsection (1) of this section for all  
11 other personal property taxpayers. The compensating exemption factor is  
12 calculated by multiplying the value of the tangible personal property of  
13 the railroad, car line company, public service entity, or air carrier by  
14 a fraction, the numerator of which is the total amount of locally  
15 assessed tangible personal property that is actually subjected to  
16 property tax after the exemption allowed in subsection (1) of this  
17 section, and the denominator of which is the net book value of locally  
18 assessed tangible personal property prior to the exemptions allowed in  
19 subsection (1) of this section.

20 Sec. 3. Section 77-1239, Revised Statutes Cumulative Supplement,  
21 2016, is amended to read:

22 77-1239 (1) Reimbursement to taxing subdivisions for tax revenue  
23 that will be lost because of the personal property tax exemptions allowed  
24 in subsection (1) of section 77-1238 shall be as provided in this  
25 subsection. For each tax year excluding tax years 2018 and 2019, the The  
26 county assessor and county treasurer shall, on or before November 30 of  
27 each year, certify to the Tax Commissioner, on forms prescribed by the  
28 Tax Commissioner, the total tax revenue that will be lost to all taxing  
29 subdivisions within his or her county from taxes levied and assessed in  
30 that year because of the personal property tax exemptions allowed in  
31 subsection (1) of section 77-1238. The county assessor and county

1 treasurer may amend the certification to show any change or correction in  
2 the total tax revenue that will be lost until May 30 of the next  
3 succeeding year. The Tax Commissioner shall, on or before January 1 next  
4 following the certification, notify the Director of Administrative  
5 Services of the amount so certified to be reimbursed by the state.  
6 Reimbursement of the tax revenue lost shall be made to each county  
7 according to the certification and shall be distributed in two  
8 approximately equal installments on the last business day of February and  
9 the last business day of June. The State Treasurer shall, on the business  
10 day preceding the last business day of February and the last business day  
11 of June, notify the Director of Administrative Services of the amount of  
12 funds available in the General Fund to pay the reimbursement. The  
13 Director of Administrative Services shall, on the last business day of  
14 February and the last business day of June, draw warrants against funds  
15 appropriated. Out of the amount received, the county treasurer shall  
16 distribute to each of the taxing subdivisions within his or her county  
17 the full tax revenue lost by each subdivision, except that one percent of  
18 such amount shall be deposited in the county general fund.

19 (2) Reimbursement to taxing subdivisions for tax revenue that will  
20 be lost because of the compensating exemption factor in subsection (2) of  
21 section 77-1238 shall be as provided in this subsection. The Property Tax  
22 Administrator shall establish the average tax rate that will be used for  
23 purposes of reimbursing taxing subdivisions pursuant to this subsection.  
24 The average tax rate shall be equal to the total property taxes levied in  
25 the state divided by the total taxable value of all taxable property in  
26 the state as certified pursuant to section 77-1613.01. For each tax year  
27 excluding tax years 2018 and 2019, the The Tax Commissioner shall  
28 certify, on or before January 30 of each year, to the Director of  
29 Administrative Services the total valuation that will be lost to all  
30 taxing subdivisions within each county because of the compensating  
31 exemption factor in subsection (2) of section 77-1238. Such amount,



1 multiplied by the average tax rate calculated pursuant to this  
 2 subsection, shall be the tax revenue to be reimbursed to the taxing  
 3 subdivisions by the state. Reimbursement of the tax revenue lost for  
 4 public service entities shall be made to each county according to the  
 5 certification and shall be distributed among the taxing subdivisions  
 6 within each county in the same proportion as all public service entity  
 7 taxes levied by the taxing subdivisions. Reimbursement of the tax revenue  
 8 lost for railroads shall be made to each county according to the  
 9 certification and shall be distributed among the taxing subdivisions  
 10 within each county in the same proportion as all railroad taxes levied by  
 11 taxing subdivisions. Reimbursement of the tax revenue lost for car line  
 12 companies shall be distributed in the same manner as the taxes collected  
 13 pursuant to section 77-684. Reimbursement of the tax revenue lost for air  
 14 carriers shall be distributed in the same manner as the taxes collected  
 15 pursuant to section 77-1250.

16 (3) Each taxing subdivision shall, in preparing its annual or  
 17 biennial budget, take into account the amounts to be received under this  
 18 section.

19 Sec. 4. Section 77-2715.03, Revised Statutes Cumulative Supplement,  
 20 2016, is amended to read:

21 77-2715.03 (1) For taxable years beginning or deemed to begin on or  
 22 after January 1, 2013, and before January 1, 2014, the following brackets  
 23 and rates are hereby established for the Nebraska individual income tax:

24 Individual Income Tax Brackets and Rates

25 Bracket	Single	Married,	Head of	Married,	Estates	Tax
26 Number	Individuals	Filing	Household	Filing	and	Rate
		Jointly		Separate	Trusts	
28 1	\$0-2,399	\$0-4,799	\$0-4,499	\$0-2,399	\$0-499	2.46%
29 2	\$2,400-	\$4,800-	\$4,500-	\$2,400-	\$500-	
30	17,499	34,999	27,999	17,499	4,699	3.51%
31 3	\$17,500-	\$35,000-	\$28,000-	\$17,500-	\$4,700-	

1		26,999	53,999	39,999	26,999	15,149	5.01%
2	4	\$27,000	\$54,000	\$40,000	\$27,000	\$15,150	
3		and Over	and Over	and Over	and Over	and Over	6.84%

4 (2) For taxable years beginning or deemed to begin on or after  
5 January 1, 2014, the following brackets and rates are hereby established  
6 for the Nebraska individual income tax:

7 Individual Income Tax Brackets and Rates

8	Bracket	Single	Married,	Head of	Married,	Estates	Tax
9	Number	Individuals	Filing	Household	Filing	and	Rate
10			Jointly		Separate	Trusts	
11	1	\$0-2,999	\$0-5,999	\$0-5,599	\$0-2,999	\$0-499	2.46%
12	2	\$3,000-	\$6,000-	\$5,600-	\$3,000-	\$500-	
13		17,999	35,999	28,799	17,999	4,699	3.51%
14	3	\$18,000-	\$36,000-	\$28,800-	\$18,000-	\$4,700-	
15		28,999	57,999	42,999	28,999	15,149	5.01%
16	4	\$29,000	\$58,000	\$43,000	\$29,000	\$15,150	
17		and Over	and Over	and Over	and Over	and Over	6.84%

18 (3)(a) For taxable years beginning or deemed to begin on or after  
19 January 1, 2015, and before January 1, 2018, and for taxable years  
20 beginning or deemed to begin on or after January 1, 2020, the minimum and  
21 maximum dollar amounts for each income tax bracket provided in subsection  
22 (2) of this section shall be adjusted for inflation by the percentage  
23 determined under subdivision (3)(b) of this section. The rate applicable  
24 to any such income tax bracket shall not be changed as part of any  
25 adjustment under this subsection. The minimum and maximum dollar amounts  
26 for each income tax bracket as adjusted shall be rounded to the nearest  
27 ten-dollar amount. If the adjusted amount for any income tax bracket ends  
28 in a five, it shall be rounded up to the nearest ten-dollar amount.

29 (b) The Tax Commissioner shall adjust the income tax brackets by the  
30 percentage determined pursuant to the provisions of section 1(f) of the  
31 Internal Revenue Code of 1986, as amended, except that in section 1(f)(3)

1 (B) of the code the year 2013 shall be substituted for the year 1992. For  
2 2015, the Tax Commissioner shall then determine the percent change from  
3 the twelve months ending on August 31, 2013, to the twelve months ending  
4 on August 31, 2014, and in each subsequent year, from the twelve months  
5 ending on August 31, 2013, to the twelve months ending on August 31 of  
6 the year preceding the taxable year. The Tax Commissioner shall prescribe  
7 new tax rate schedules that apply in lieu of the schedules set forth in  
8 subsection (2) of this section.

9 (4) Whenever the tax brackets or tax rates are changed by the  
10 Legislature, the Tax Commissioner shall update the tax rate schedules to  
11 reflect the new tax brackets or tax rates and shall publish such updated  
12 schedules.

13 (5) The Tax Commissioner shall prepare, from the rate schedules, tax  
14 tables which can be used by a majority of the taxpayers to determine  
15 their Nebraska tax liability. The design of the tax tables shall be  
16 determined by the Tax Commissioner. The size of the tax table brackets  
17 may change as the level of income changes. The difference in tax between  
18 two tax table brackets shall not exceed fifteen dollars. The Tax  
19 Commissioner may build the personal exemption credit and standard  
20 deduction amounts into the tax tables.

21 (6) For taxable years beginning or deemed to begin on or after  
22 January 1, 2013, the tax rate applied to other federal taxes included in  
23 the computation of the Nebraska individual income tax shall be 29.6  
24 percent.

25 (7) The Tax Commissioner may require by rule and regulation that all  
26 taxpayers shall use the tax tables if their income is less than the  
27 maximum income included in the tax tables.

28 Sec. 5. Section 77-2715.09, Reissue Revised Statutes of Nebraska, is  
29 amended to read:

30 77-2715.09 (1) For taxable years beginning or deemed to begin before  
31 January 1, 2018, and for taxable years beginning or deemed to begin on or

1 after January 1, 2020, every Every resident individual may elect under  
2 this section to subtract from federal adjusted gross income, or for  
3 trusts qualifying under subdivision (2)(c) of this section from taxable  
4 income, the extraordinary dividends paid on and the capital gain from the  
5 sale or exchange of capital stock of a corporation acquired by the  
6 individual (a) on account of employment by such corporation or (b) while  
7 employed by such corporation.

8 (2)(a) Each individual shall be entitled to one election under  
9 subsection (1) of this section during his or her lifetime for the capital  
10 stock of one corporation.

11 (b) The election shall apply to subsequent extraordinary dividends  
12 paid and sales and exchanges in any taxable year if the dividend is  
13 received on, or the sale or exchange is of, capital stock in the same  
14 corporation and such capital stock was acquired as provided in subsection  
15 (1) of this section.

16 (c) After the individual makes an election, such election shall  
17 apply to extraordinary dividends paid on, and the sale or exchange of,  
18 capital stock of the corporation transferred by inter vivos gift from the  
19 individual to his or her spouse or issue or a trust for the benefit of  
20 the individual's spouse or issue if such capital stock was acquired as  
21 provided in subsection (1) of this section. This subdivision shall apply,  
22 in the case of the spouse, only if the spouse was married to such  
23 individual on the date of the extraordinary dividend or sale or exchange  
24 or the date of death of the individual.

25 (d) If the individual dies without making an election, the surviving  
26 spouse or, if there is no surviving spouse, the oldest surviving issue  
27 may make the election for capital stock that would have qualified under  
28 subdivision (c) of this subsection.

29 (3) An election under subsection (1) of this section shall be made  
30 by including a written statement with the taxpayer's Nebraska income tax  
31 return or an amended return for the taxable year for which the election

1 is made. The written statement shall identify the corporation that issued  
2 the stock and the grounds for the election under this section and shall  
3 state that the taxpayer elects to have this section apply.

4 Sec. 6. Section 77-27,132, Revised Statutes Cumulative Supplement,  
5 2016, is amended to read:

6 77-27,132 (1) There is hereby created a fund to be designated the  
7 Revenue Distribution Fund which shall be set apart and maintained by the  
8 Tax Commissioner. Revenue not required to be credited to the General Fund  
9 or any other specified fund may be credited to the Revenue Distribution  
10 Fund. Credits and refunds of such revenue shall be paid from the Revenue  
11 Distribution Fund. The balance of the amount credited, after credits and  
12 refunds, shall be allocated as provided by the statutes creating such  
13 revenue.

14 (2) The Tax Commissioner shall pay to a depository bank designated  
15 by the State Treasurer all amounts collected under the Nebraska Revenue  
16 Act of 1967. The Tax Commissioner shall present to the State Treasurer  
17 bank receipts showing amounts so deposited in the bank, and of the  
18 amounts so deposited the State Treasurer shall:

19 (a) For transactions occurring before July 1, 2017 ~~on or after~~  
20 ~~October 1, 2014, and before October 1, 2019~~, credit to the Game and Parks  
21 Commission Capital Maintenance Fund all of the proceeds of the sales and  
22 use taxes imposed pursuant to section 77-2703 on the sale or lease of  
23 motorboats as defined in section 37-1204, personal watercraft as defined  
24 in section 37-1204.01, all-terrain vehicles as defined in section 60-103,  
25 and utility-type vehicles as defined in section 60-135.01;

26 (b) For transactions occurring before July 1, 2017, and on or after  
27 July 1, 2019, credit ~~Credit~~ to the Highway Trust Fund all of the proceeds  
28 of the sales and use taxes derived from the sale or lease for periods of  
29 more than thirty-one days of motor vehicles, trailers, and semitrailers,  
30 except that the proceeds equal to any sales tax rate provided for in  
31 section 77-2701.02 that is in excess of five percent derived from the

1 sale or lease for periods of more than thirty-one days of motor vehicles,  
2 trailers, and semitrailers shall be credited to the Highway Allocation  
3 Fund;

4 (c) For transactions occurring on or after July 1, 2013, and before  
5 July 1, 2033, of the proceeds of the sales and use taxes derived from  
6 transactions other than those listed in subdivisions (2)(a) and (b) of  
7 this section from a sales tax rate of one-quarter of one percent, credit  
8 monthly eighty-five percent to the State Highway Capital Improvement Fund  
9 and fifteen percent to the Highway Allocation Fund; and

10 (d) Of the proceeds of the sales and use taxes derived from  
11 transactions other than those listed in subdivisions (2)(a) and (b) of  
12 this section, credit to the Property Tax Credit Cash Fund the amount  
13 certified under section 77-27,237, if any such certification is made.

14 The balance of all amounts collected under the Nebraska Revenue Act  
15 of 1967 shall be credited to the General Fund.

16 Sec. 7. Section 77-4212, Revised Statutes Cumulative Supplement,  
17 2016, is amended to read:

18 77-4212 (1) For tax year 2007, the amount of relief granted under  
19 the Property Tax Credit Act shall be one hundred five million dollars.  
20 For tax year 2008, the amount of relief granted under the act shall be  
21 one hundred fifteen million dollars. It is the intent of the Legislature  
22 to fund the Property Tax Credit Act for tax years after tax year 2008  
23 using available revenue. For tax year 2019 ~~2017~~, the amount of relief  
24 granted under the act shall be two hundred twenty-four million dollars.  
25 The relief shall be in the form of a property tax credit which appears on  
26 the property tax statement.

27 (2)(a) For tax years prior to tax year 2019 ~~2017~~, to determine the  
28 amount of the property tax credit, the county treasurer shall multiply  
29 the amount disbursed to the county under subdivision (4)(a) of this  
30 section by the ratio of the real property valuation of the parcel to the  
31 total real property valuation in the county. The amount determined shall

1 be the property tax credit for the property.

2 (b) Beginning with tax year 2019 ~~2017~~, to determine the amount of  
3 the property tax credit, the county treasurer shall multiply the amount  
4 disbursed to the county under subdivision (4)(b) of this section by the  
5 ratio of the credit allocation valuation of the parcel to the total  
6 credit allocation valuation in the county. The amount determined shall be  
7 the property tax credit for the property.

8 (3) If the real property owner qualifies for a homestead exemption  
9 under sections 77-3501 to 77-3529, the owner shall also be qualified for  
10 the relief provided in the act to the extent of any remaining liability  
11 after calculation of the relief provided by the homestead exemption. If  
12 the credit results in a property tax liability on the homestead that is  
13 less than zero, the amount of the credit which cannot be used by the  
14 taxpayer shall be returned to the State Treasurer by July 1 of the year  
15 the amount disbursed to the county was disbursed. The State Treasurer  
16 shall immediately credit any funds returned under this section to the  
17 Property Tax Credit Cash Fund.

18 (4)(a) For tax years prior to tax year 2019 ~~2017~~, the amount  
19 disbursed to each county shall be equal to the amount available for  
20 disbursement determined under subsection (1) of this section multiplied  
21 by the ratio of the real property valuation in the county to the real  
22 property valuation in the state. By September 15, the Property Tax  
23 Administrator shall determine the amount to be disbursed under this  
24 subdivision to each county and certify such amounts to the State  
25 Treasurer and to each county. The disbursements to the counties shall  
26 occur in two equal payments, the first on or before January 31 and the  
27 second on or before April 1. After retaining one percent of the receipts  
28 for costs, the county treasurer shall allocate the remaining receipts to  
29 each taxing unit levying taxes on taxable property in the tax district in  
30 which the real property is located in the same proportion that the levy  
31 of such taxing unit bears to the total levy on taxable property of all

1 the taxing units in the tax district in which the real property is  
2 located.

3 (b) Beginning with tax year ~~2019~~ 2017, the amount disbursed to each  
4 county shall be equal to the amount available for disbursement determined  
5 under subsection (1) of this section multiplied by the ratio of the  
6 credit allocation valuation in the county to the credit allocation  
7 valuation in the state. By September 15, the Property Tax Administrator  
8 shall determine the amount to be disbursed under this subdivision to each  
9 county and certify such amounts to the State Treasurer and to each  
10 county. The disbursements to the counties shall occur in two equal  
11 payments, the first on or before January 31 and the second on or before  
12 April 1. After retaining one percent of the receipts for costs, the  
13 county treasurer shall allocate the remaining receipts to each taxing  
14 unit based on its share of the credits granted to all taxpayers in the  
15 taxing unit.

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

23 (6) The State Treasurer shall transfer from the General Fund to the  
24 Property Tax Credit Cash Fund one hundred five million dollars by August  
25 1, 2007, and one hundred fifteen million dollars by August 1, 2008.

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

28 Sec. 8. Original section 77-2715.09, Reissue Revised Statutes of  
29 Nebraska, and sections 77-202, 77-1238, 77-1239, 77-2715.03, 77-27,132,  
30 and 77-4212, Revised Statutes Cumulative Supplement, 2016, are repealed.

31 Sec. 9. Since an emergency exists, this act takes effect when



1 passed and approved according to law.