

ONE HUNDRED FOURTH LEGISLATURE

FIRST SESSION

**LEGISLATIVE RESOLUTION 302**

Introduced by Schumacher, 22.

PURPOSE: The purpose of this resolution is to examine whether imposition of a sales or income tax upon the sale of agricultural land may provide funding for a targeted property tax relief fund for agricultural property owners and whether there are any more viable alternatives to meaningfully address the agricultural property tax situation. The issues to be considered by this study shall include, but not be limited to:

(1) The dramatic increase in the price, and thus the valuation, of agricultural land in the past decade and the failure to offset the increase with a decrease in the levy which has resulted in significant increases in the property tax burden on agricultural land and corresponding increases in local spending commitments;

(2) Whether significant relief from the increased property tax burden on agricultural property can only come from a severe downturn in the price of agricultural land or from large increases in income or sales taxes which already are high;

(3) The variability of agricultural income due to weather, grain or livestock prices, and other economic factors which can from time to time cause shortfalls in available cash and acute difficulty in paying agricultural property taxes;

(4) How the dramatic increase in the price of agricultural land causes very large amounts of income to be transferred, often to out-of-state heirs at the time of the sale of agricultural land; and

(5) Why there is currently no sales tax collected at the time of the sale of agricultural land and, in cases where the owner is deceased, no income tax collected on very large amounts of income.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ONE HUNDRED FOURTH LEGISLATURE OF NEBRASKA, FIRST SESSION:

1. That the Revenue Committee of the Legislature shall be designated to conduct an interim study to carry out the purposes of this resolution.

2. That the committee shall upon the conclusion of its study make a report of its findings, together with its recommendations, to the Legislative Council or Legislature.