

LEGISLATURE OF NEBRASKA
ONE HUNDRED FIFTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1089

FINAL READING

Introduced by Smith, 14.

Read first time January 18, 2018

Committee: Revenue

1 A BILL FOR AN ACT relating to revenue and taxation; to amend sections
2 77-118, 77-3505.02, and 77-3514.01, Reissue Revised Statutes of
3 Nebraska, sections 77-376, 77-2791, 77-3501.01, 77-3506, 77-3506.02,
4 77-3506.03, 77-3507, 77-3509.01, 77-3509.02, 77-3509.03, 77-3512,
5 77-3513, 77-3514, 77-3516, 77-3522, and 77-3523, Revised Statutes
6 Cumulative Supplement, 2016, and sections 77-3508 and 77-3510,
7 Revised Statutes Supplement, 2017; to change provisions relating to
8 the effect of purchases of certain depreciable property on the
9 Nebraska adjusted basis; to provide that certain information of the
10 Department of Revenue is confidential; to change provisions relating
11 to the treatment of refundable income tax credits; to change and
12 eliminate provisions relating to homestead exemptions; to harmonize
13 provisions; to provide operative dates; to repeal the original
14 sections; to outright repeal section 77-3509, Revised Statutes
15 Cumulative Supplement, 2016; and to declare an emergency.
16 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-118, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 77-118 (1) Nebraska adjusted basis shall mean the adjusted basis of
4 property as determined under the Internal Revenue Code increased by the
5 total amount allowed under the code for depreciation or amortization or
6 pursuant to an election to expense depreciable property under section 179
7 of the code.

8 (2) For purchases of depreciable personal property occurring on or
9 after January 1, 2018, and before January 1, 2020, if there is an
10 election to expense the depreciable property under section 179 of the
11 code and similar personal property is traded in as part of the payment
12 for the newly acquired property, the Nebraska adjusted basis shall be the
13 remaining net book value of the property traded in, plus the additional
14 amount that was paid by the taxpayer for the newly acquired property.

15 Sec. 2. Section 77-376, Revised Statutes Cumulative Supplement,
16 2016, is amended to read:

17 77-376 (1) The Tax Commissioner may examine or cause to be examined
18 in his or her behalf, and make memoranda from, any of the financial
19 records of state and local subdivisions, persons, and corporations
20 subject to the tax laws of this state. No information shall be released
21 that is not so authorized by existing statutes. Unless otherwise
22 prohibited by law, the Tax Commissioner may share the information
23 examined with the taxing or law enforcement authorities of this state,
24 other states, and the federal government.

25 (2) The audit and examination selection criteria and standards, the
26 discovery techniques, the design of technological systems to detect fraud
27 and inconsistencies, and all other techniques utilized by the Department
28 of Revenue to discover fraud, misstatements, inconsistencies,
29 underreporting, and tax avoidance shall be confidential information. The
30 department may disclose this information to certain persons to further
31 its enforcement activities and as provided under section 50-1213, but

1 such limited disclosure shall not change the confidential nature of the
2 information.

3 Sec. 3. Section 77-2791, Revised Statutes Cumulative Supplement,
4 2016, is amended to read:

5 77-2791 (1) The Tax Commissioner, within the applicable period of
6 limitations, may credit an overpayment of income tax and interest on such
7 overpayment against any liability in respect of any tax imposed by the
8 tax laws of this state on the person who made the overpayment, and the
9 balance shall be refunded by the State Treasurer out of the General Fund.

10 (2) If the amount allowable as a credit for income tax withheld from
11 the taxpayer exceeds his or her tax to which the credit relates, the
12 excess shall be considered an overpayment.

13 (3) If the amount allowable as a A refundable income tax credit
14 exceeds the tax liability of the taxpayer, the excess is considered an
15 overpayment even if the taxpayer has no income tax liability prior to
16 applying the refundable credit.

17 (4) If there has been an overpayment of tax required to be deducted
18 and withheld under section 77-2753, refund shall be made to the employer
19 or the payor only to the extent that the amount of the overpayment was
20 not deducted and withheld by the employer or the payor.

21 (5) The Tax Commissioner may adopt and promulgate rules and
22 regulations providing for the crediting against the estimated income tax
23 for any taxable year of the amount determined to be an overpayment of the
24 income tax for a preceding taxable year.

25 (6) If any amount of income tax is assessed or collected after the
26 expiration of the period of limitations properly applicable thereto, such
27 amount shall be considered an overpayment.

28 Sec. 4. Section 77-3501.01, Revised Statutes Cumulative Supplement,
29 2016, is amended to read:

30 77-3501.01 (1) For purposes of section 77-3507, exempt amount shall
31 mean the lesser of (a) the taxable value of the homestead or (b) one

1 hundred percent of the average assessed value of single-family
2 residential property in the claimant's county of residence as determined
3 in section 77-3506.02 or forty thousand dollars, whichever is greater.

4 (2) For purposes of section ~~sections 77-3508 and 77-3509~~, exempt
5 amount shall mean the lesser of (a) the taxable value of the homestead or
6 (b) one hundred twenty percent of the average assessed value of single-
7 family residential property in the claimant's county of residence as
8 determined in section 77-3506.02 or fifty thousand dollars, whichever is
9 greater.

10 (3) For purposes of section 77-3506, exempt amount shall mean the
11 taxable value of the homestead.

12 Sec. 5. Section 77-3505.02, Reissue Revised Statutes of Nebraska, is
13 amended to read:

14 77-3505.02 Maximum value shall mean:

15 (1) For applicants eligible under section 77-3507, two hundred
16 percent of the average assessed value of single-family residential
17 property in the claimant's county of residence as determined in section
18 77-3506.02 or ninety-five thousand dollars, whichever is greater; and

19 (2) For applicants eligible under section ~~sections 77-3508 and~~
20 ~~77-3509~~, two hundred twenty-five percent of the average assessed value of
21 single-family residential property in the claimant's county of residence
22 as determined in section 77-3506.02 or one hundred ten thousand dollars,
23 whichever is greater.

24 Sec. 6. Section 77-3506, Revised Statutes Cumulative Supplement,
25 2016, is amended to read:

26 77-3506 (1) All homesteads in this state shall be assessed for
27 taxation the same as other property, except that there shall be exempt
28 from taxation, on any homestead described in subsection (2) of this
29 section, one hundred percent of the exempt amount.

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

1 (a) A veteran who was discharged or otherwise separated with a
2 characterization of honorable or general (under honorable conditions),
3 who is drawing compensation from the United States Department of Veterans
4 Affairs because of one hundred percent service-connected disability, and
5 who is not eligible for total exemption under sections 77-3526 to
6 77-3528, an unremarried surviving spouse of such a veteran, or a
7 surviving spouse of such a veteran who remarries after attaining the age
8 of fifty-seven years;

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

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

20 (d) An unremarried surviving spouse of a serviceman or servicewoman
21 who died while on active duty during the periods described in section
22 80-401.01 or a surviving spouse of such a serviceman or servicewoman who
23 remarries after attaining the age of fifty-seven years.

24 (3) Application for exemption under this section shall include
25 certification of the status set forth in subsection (2) of this section
26 from the United States Department of Veterans Affairs.

27 Sec. 7. Section 77-3506.02, Revised Statutes Cumulative Supplement,
28 2016, is amended to read:

29 77-3506.02 After county board of equalization action pursuant to
30 sections 77-1502 to 77-1504.01 and on or before September 1 each year,
31 the county assessor shall certify to the Department of Revenue the

1 average assessed value of single-family residential property in the
2 county for the current year for purposes of sections 77-3507 and ~~7~~
3 ~~77-3508, and 77-3509.~~

4 The county assessor shall determine the current average assessed
5 value of single-family residential property from all real property
6 records containing dwellings, mobile homes, and duplexes all of which are
7 designed for occupancy as single-family residential property and any
8 associated land not to exceed one acre.

9 The county assessor shall also report to the Department of Revenue
10 the computed exempt amounts pursuant to section 77-3501.01.

11 Sec. 8. Section 77-3506.03, Revised Statutes Cumulative Supplement,
12 2016, is amended to read:

13 77-3506.03 For homesteads valued at or above the maximum value, the
14 exempt amount for any exemption under section 77-3507 or ~~7~~ 77-3508, ~~or~~
15 ~~77-3509~~ shall be reduced by ten percent for each two thousand five
16 hundred dollars of value by which the homestead exceeds the maximum value
17 and any homestead which exceeds the maximum value by twenty thousand
18 dollars or more is not eligible for any exemption under section 77-3507
19 or ~~7~~ 77-3508, ~~or 77-3509~~. This section shall not apply to any exemption
20 under section 77-3506.

21 Sec. 9. Section 77-3507, Revised Statutes Cumulative Supplement,
22 2016, is amended to read:

23 77-3507 (1) All homesteads in this state shall be assessed for
24 taxation the same as other property, except that there shall be exempt
25 from taxation on homesteads of qualified claimants a percentage of the
26 exempt amount as limited by section 77-3506.03. The percentage of the
27 exempt amount shall be determined based on the household income of a
28 claimant pursuant to subsections (2) through (4) of this section.

29 (2) For 2014, for a qualified married or closely related claimant,
30 the percentage of the exempt amount for which the claimant shall be
31 eligible shall be the percentage in Column B which corresponds with the

1 claimant's household income in Column A in the table found in this
2 subsection.

3	Column A	Column B
4	Household Income	Percentage
5	In Dollars	Of Relief
6	0 through 31,600	100
7	31,601 through 33,300	90
8	33,301 through 35,000	80
9	35,001 through 36,700	70
10	36,701 through 38,400	60
11	38,401 through 40,100	50
12	40,101 through 41,800	40
13	41,801 through 43,500	30
14	43,501 through 45,200	20
15	45,201 through 46,900	10
16	46,901 and over	0

17 (3) For 2014, for a qualified single claimant, the percentage of the
18 exempt amount for which the claimant shall be eligible shall be the
19 percentage in Column B which corresponds with the claimant's household
20 income in Column A in the table found in this subsection.

21	Column A	Column B
22	Household Income	Percentage
23	In Dollars	Of Relief
24	0 through 26,900	100
25	26,901 through 28,300	90
26	28,301 through 29,700	80
27	29,701 through 31,100	70
28	31,101 through 32,500	60
29	32,501 through 33,900	50
30	33,901 through 35,300	40

1	35,301 through 36,700	30
2	36,701 through 38,100	20
3	38,101 through 39,500	10
4	39,501 and over	0

5 (4) For exemption applications filed in calendar years year 2015
6 through 2017 and ~~each year thereafter~~, the income eligibility amounts in
7 subsections (2) and (3) of this section shall be adjusted by the
8 percentage determined pursuant to the provisions of section 1(f) of the
9 Internal Revenue Code of 1986, as it existed prior to December 22, 2017.
10 For exemption applications filed in calendar year 2018 and each calendar
11 year thereafter, the income eligibility amounts in subsections (2) and
12 (3) of this section shall be adjusted by the percentage change in the
13 Consumer Price Index for All Urban Consumers published by the federal
14 Bureau of Labor Statistics from the twelve months ending on August 31,
15 2016, to the twelve months ending on August 31 of the year preceding the
16 applicable calendar year for inflation by the method provided in section
17 ~~151 of the Internal Revenue Code~~. The income eligibility amounts shall be
18 adjusted for cumulative inflation since 2014. If any amount is not a
19 multiple of one hundred dollars, the amount shall be rounded to the next
20 lower multiple of one hundred dollars.

21 Sec. 10. Section 77-3508, Revised Statutes Supplement, 2017, is
22 amended to read:

23 77-3508 (1)(a) All homesteads in this state shall be assessed for
24 taxation the same as other property, except that there shall be exempt
25 from taxation, on any homestead described in subdivision (b) of this
26 subsection, a percentage of the exempt amount as limited by section
27 77-3506.03. The exemption shall be based on the household income of a
28 claimant pursuant to subsections (2) through (4) of this section.

29 (b) The exemption described in subdivision (a) of this subsection
30 shall apply to homesteads of:

31 (i) Veterans as defined in section 80-401.01 who were discharged or

1 otherwise separated with a characterization of honorable or general
2 (under honorable conditions) and who are totally disabled by a non-
3 service-connected accident or illness;

4 (ii) Individuals who have a permanent physical disability and have
5 lost all mobility so as to preclude locomotion without the use of a
6 mechanical aid or prostheses;

7 (iii) Individuals who have undergone amputation of both arms above
8 the elbow or who have a permanent partial disability of both arms in
9 excess of seventy-five percent; and

10 (iv) Beginning January 1, 2015, individuals who have a developmental
11 disability as defined in section 83-1205.

12 (c) Application for the exemption described in subdivision (a) of
13 this subsection shall include certification from a qualified medical
14 physician, physician assistant, or advanced practice registered nurse for
15 subdivisions (b)(i) through (b)(iii) of this subsection, certification
16 from the United States Department of Veterans Affairs affirming that the
17 homeowner is totally disabled due to non-service-connected accident or
18 illness for subdivision (b)(i) of this subsection, or certification from
19 the Department of Health and Human Services for subdivision (b)(iv) of
20 this subsection. Such certification from a qualified medical physician,
21 physician assistant, or advanced practice registered nurse or from the
22 Department of Health and Human Services shall be made on forms prescribed
23 by the Department of Revenue. If an individual described in subdivision
24 (b)(i), (ii), (iii), or (iv) of this subsection is granted a homestead
25 exemption pursuant to this section for any year, such individual shall
26 not be required to submit the certification required under this
27 subdivision in succeeding years if no change in medical condition has
28 occurred, except that the county assessor or the Tax Commissioner may
29 request such certification to verify that no change in medical condition
30 has occurred.

31 (2) For 2014, for a married or closely related claimant as described

1 in subsection (1) of this section, the percentage of the exempt amount
2 for which the claimant shall be eligible shall be the percentage in
3 Column B which corresponds with the claimant's household income in Column
4 A in the table found in this subsection.

5	Column A	Column B
6	Household Income	Percentage
7	In Dollars	Of Relief
8	0 through 34,700	100
9	34,701 through 36,400	90
10	36,401 through 38,100	80
11	38,101 through 39,800	70
12	39,801 through 41,500	60
13	41,501 through 43,200	50
14	43,201 through 44,900	40
15	44,901 through 46,600	30
16	46,601 through 48,300	20
17	48,301 through 50,000	10
18	50,001 and over	0

19 (3) For 2014, for a single claimant as described in subsection (1)
20 of this section, the percentage of the exempt amount for which the
21 claimant shall be eligible shall be the percentage in Column B which
22 corresponds with the claimant's household income in Column A in the table
23 found in this subsection.

24	Column A	Column B
25	Household Income	Percentage
26	In Dollars	Of Relief
27	0 through 30,300	100
28	30,301 through 31,700	90
29	31,701 through 33,100	80
30	33,101 through 34,500	70

1	34,501 through 35,900	60
2	35,901 through 37,300	50
3	37,301 through 38,700	40
4	38,701 through 40,100	30
5	40,101 through 41,500	20
6	41,501 through 42,900	10
7	42,901 and over	0

8 (4) For exemption applications filed in calendar ~~years~~ year 2015
9 ~~through 2017 and each year thereafter~~, the income eligibility amounts in
10 subsections (2) and (3) of this section shall be adjusted by the
11 percentage determined pursuant to the provisions of section 1(f) of the
12 Internal Revenue Code of 1986, as it existed prior to December 22, 2017.
13 For exemption applications filed in calendar year 2018 and each calendar
14 year thereafter, the income eligibility amounts in subsections (2) and
15 (3) of this section shall be adjusted by the percentage change in the
16 Consumer Price Index for All Urban Consumers published by the federal
17 Bureau of Labor Statistics from the twelve months ending on August 31,
18 2016, to the twelve months ending on August 31 of the year preceding the
19 applicable calendar year for inflation by the method provided in section
20 151 of the Internal Revenue Code. The income eligibility amounts shall be
21 adjusted for cumulative inflation since 2014. If any amount is not a
22 multiple of one hundred dollars, the amount shall be rounded to the next
23 lower multiple of one hundred dollars.

24 Sec. 11. Section 77-3509.01, Revised Statutes Cumulative Supplement,
25 2016, is amended to read:

26 77-3509.01 If an The owner of a homestead applies for ~~which has~~
27 ~~been granted an exemption under section provided in sections 77-3506, and~~
28 77-3507, or 77-3508 for any year and such owner subsequently to 77-3509,
29 ~~who~~ becomes the owner of another homestead prior to August 15 of such
30 during the year, the owner for which the exemption was granted, may file
31 an application with the county assessor of the county where the new

1 homestead is located, ~~on or before August 15 of such year,~~ for a transfer
2 of the exemption to the new homestead. The owner shall file the
3 application for transfer with the county assessor on or before August 15
4 of such year or within thirty days after receiving a notice of rejection
5 on the owner's application for exemption for the original homestead. The
6 county assessor shall examine each application for transfer and determine
7 whether or not the new homestead, except for the January 1 through August
8 15 ownership and occupancy requirement and the income requirements, is
9 eligible for exemption under section sections 77-3506, and 77-3507, or
10 77-3508 to 77-3509. If the application for transfer is approved by the
11 county assessor, he or she shall make a deduction upon the assessment
12 rolls using the same criteria as previously applied to the original
13 homestead. The county assessor may allow the application for transfer to
14 also be considered an application for a homestead exemption for the
15 subsequent year.

16 Sec. 12. Section 77-3509.02, Revised Statutes Cumulative Supplement,
17 2016, is amended to read:

18 77-3509.02 If the owner of ~~a any~~ homestead files an application for
19 transfer of the homestead exemption granted an exemption under sections
20 ~~77-3506 and 77-3507 to 77-3509~~ becomes the owner of another homestead ~~on~~
21 ~~or before August 15 of any year~~ pursuant to section 77-3509.01 and ~~makes~~
22 ~~the application for transfer of the homestead exemption~~ and such
23 application for transfer is approved, the owner's application for
24 exemption for the original homestead shall be rejected ~~disallowed~~ for
25 such year ~~as applied to the original homestead~~ if the application
26 ~~exemption~~ was granted based on the status of such owner. If the transfer
27 involves property in more than one county, the county assessor of the
28 county where the new homestead is located shall notify the other county
29 assessor and the Department of Revenue of the application for transfer
30 within ten days after receipt of such ~~the~~ application.

31 Sec. 13. Section 77-3509.03, Revised Statutes Cumulative Supplement,

1 2016, is amended to read:

2 77-3509.03 All property tax statements for homesteads granted an
3 exemption in sections 77-3506, and 77-3507, and 77-3508 ~~to 77-3509~~ shall
4 show the amount of the exemption, the tax that would otherwise be due,
5 and a statement that the tax loss shall be reimbursed by the state as a
6 homestead exemption.

7 Sec. 14. Section 77-3510, Revised Statutes Supplement, 2017, is
8 amended to read:

9 77-3510 On or before February 1 of each year, the Tax Commissioner
10 shall prescribe forms to be used by all claimants for homestead exemption
11 or for transfer of homestead exemption. Such forms shall contain
12 provisions for the showing of all information which the Tax Commissioner
13 may deem necessary to (1) enable the county officials and the Tax
14 Commissioner to determine whether each claim for exemption under sections
15 77-3506, and 77-3507, and 77-3508 ~~to 77-3509~~ should be allowed and (2)
16 enable the county assessor to determine whether each claim for transfer
17 of homestead exemption pursuant to section 77-3509.01 should be allowed.
18 It shall be the duty of the county assessor of each county in this state
19 to furnish such forms, upon request, to each person desiring to make
20 application for homestead exemption or for transfer of homestead
21 exemption. The forms so prescribed shall be used uniformly throughout the
22 state, and no application for exemption or for transfer of homestead
23 exemption shall be allowed unless the applicant uses the prescribed form
24 in making an application. The forms shall require the attachment of an
25 income statement for any applicant seeking an exemption under section
26 77-3507 or 77-3508, ~~or 77-3509~~ as prescribed by the Tax Commissioner
27 fully accounting for all household income. The Tax Commissioner shall
28 provide to each county assessor claim forms and address lists of
29 applicants from the prior year in the manner approved by the Tax
30 Commissioner. The application and information contained on any
31 attachments to the application shall be confidential and available to tax

1 officials only.

2 Sec. 15. Section 77-3512, Revised Statutes Cumulative Supplement,
3 2016, is amended to read:

4 77-3512 It shall be the duty of each owner who wants a ~~applies for~~
5 ~~the homestead exemption under section provided in sections 77-3506, and~~
6 ~~77-3507, or 77-3508 to 77-3509~~ to file an application therefor with the
7 county assessor of the county in which the homestead is located after
8 February 1 and on or before June 30 of each year. Failure to do so shall
9 constitute a waiver of the exemption for that year, except that:

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

14 (2) An owner may file a late application pursuant to section
15 77-3514.01 if he or she includes documentation of a medical condition
16 which impaired the owner's ability to file the application in a timely
17 manner.

18 Sec. 16. Section 77-3513, Revised Statutes Cumulative Supplement,
19 2016, is amended to read:

20 ~~77-3513 (1) Except as required by section 77-3514, if an owner is~~
21 ~~granted a homestead exemption as provided in section 77-3506, 77-3507, or~~
22 ~~77-3509 or subdivision (1)(b)(ii), (iii), or (iv) of section 77-3508, no~~
23 ~~reapplication need be filed for succeeding years, in which case the~~
24 ~~county assessor and Tax Commissioner shall determine whether the claimant~~
25 ~~qualifies for the homestead exemption in such succeeding years as~~
26 ~~otherwise provided in sections 77-3501 to 77-3529 as though a claim were~~
27 ~~made.~~

28 ~~(2) It shall be the duty of each claimant who wants the homestead~~
29 ~~exemption provided in subdivision (1)(b)(i) of section 77-3508 to file an~~
30 ~~application therefor with the county assessor on or before June 30 of~~
31 ~~each year. Failure to do so shall constitute a waiver of the exemption~~

1 ~~for such year, except that:~~

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

6 ~~(b) A claimant may file a late application pursuant to section~~
7 ~~77-3514.01 if he or she includes documentation of a medical condition~~
8 ~~which impaired the claimant's ability to file the application in a timely~~
9 ~~manner.~~

10 ~~(3) The county assessor shall mail a notice on or before April 1 to~~
11 ~~claimants who are the owners of a homestead which was granted an~~
12 ~~exemption under subdivision (1)(b)(i) of section 77-3506, 77-3507, or~~
13 ~~77-3508 in the preceding year unless the claimant has already filed the~~
14 ~~application for the current year or the county assessor has reason to~~
15 ~~believe there has been a change of circumstances so that the claimant no~~
16 ~~longer qualifies. The notice shall include the claimant's name, the~~
17 ~~application deadlines for the current year, a list of documents that must~~
18 ~~be filed with the application, and the county assessor's office address~~
19 ~~and telephone number.~~

20 Sec. 17. Section 77-3514, Revised Statutes Cumulative Supplement,
21 2016, is amended to read:

22 ~~77-3514 A claimant who is the owner of a homestead which has been~~
23 ~~granted an exemption under sections 77-3506 and 77-3507 to 77-3509,~~
24 ~~except subdivision (1)(b)(i) of section 77-3508, shall certify to the~~
25 ~~county assessor on or before June 30 of each year that a change in the~~
26 ~~homestead exemption status has occurred or that no change in the~~
27 ~~homestead exemption status has occurred. The county board of the county~~
28 ~~in which the homestead is located may, by majority vote, extend the~~
29 ~~deadline for certification by a claimant to on or before July 20. An~~
30 ~~extension shall not be granted to an applicant who received an extension~~
31 ~~in the immediately preceding year. In addition, a claimant may make such~~

1 ~~certification late pursuant to section 77-3514.01 if he or she includes~~
2 ~~documentation of a medical condition which impaired the claimant's~~
3 ~~ability to certify in a timely manner. The county assessor shall mail a~~
4 ~~notice on or before April 1 to claimants who are the owners of a~~
5 ~~homestead which has been granted an exemption under sections 77-3506 and~~
6 ~~77-3507 to 77-3509, except subdivision (1)(b)(i) of section 77-3508, in~~
7 ~~the preceding year unless the claimant has already filed the~~
8 ~~certification for the current year or the county assessor has reason to~~
9 ~~believe there has been a change of circumstances so that the claimant no~~
10 ~~longer qualifies. The notice shall include the claimant's name, the~~
11 ~~certification deadlines for the current year, a list of documents that~~
12 ~~must be filed with the certification, and the county assessor's office~~
13 ~~address and telephone number.~~

14 ~~A For purposes of this section, change in the homestead exemption~~
15 ~~status shall include any change in the name of the owner, ownership,~~
16 ~~residence, occupancy, marital status, veteran status, or rating by the~~
17 ~~United States Department of Veterans Affairs or any other change that~~
18 ~~would affect the qualification for or type of exemption granted, except~~
19 ~~income checked by the Tax Commissioner under section 77-3517. The~~
20 ~~certificate shall require the attachment of an income statement for~~
21 ~~exemptions under sections 77-3507, 77-3508, and 77-3509 as prescribed by~~
22 ~~the Tax Commissioner fully accounting for all household income. The~~
23 ~~certification and the information contained on any attachments to the~~
24 ~~certification shall be confidential and available to tax officials only.~~
25 ~~In addition, a claimant who is the owner of a homestead which has been~~
26 ~~granted an exemption under section sections 77-3506, and 77-3507, or~~
27 ~~77-3508 to 77-3509 may notify the county assessor by August 15 of each~~
28 ~~year of any change in the homestead exemption status occurring in the~~
29 ~~preceding portion of the calendar year as a result of a transfer of the~~
30 ~~homestead exemption pursuant to sections 77-3509.01 and 77-3509.02. If by~~
31 ~~his or her failure to give such notice any property owner permits the~~

1 allowance of the homestead exemption for any year, ~~or in the year of~~
2 ~~application in the case of transfers pursuant to sections 77-3509.01 and~~
3 ~~77-3509.02,~~ after the homestead exemption status of such property has
4 changed, an amount equal to the amount of the taxes lawfully due but not
5 paid by reason of such unlawful and improper allowance of homestead
6 exemption, together with penalty and interest on such total sum as
7 provided by statute on delinquent ad valorem taxes, shall be due and
8 shall upon entry of the amount thereof on the books of the county
9 treasurer be a lien on such property while unpaid. Such lien may be
10 enforced in the manner provided for liens for other delinquent taxes. Any
11 person who has permitted the improper and unlawful allowance of such
12 homestead exemption on his or her property shall, as an additional
13 penalty, also forfeit his or her right to a homestead exemption on any
14 property in this state for the two succeeding years.

15 Sec. 18. Section 77-3514.01, Reissue Revised Statutes of Nebraska,
16 is amended to read:

17 77-3514.01 (1) A late application ~~or certification~~ filed pursuant to
18 section 77-3512, ~~77-3513, or 77-3514~~ because of a medical condition which
19 impaired the claimant's ability to apply ~~or certify~~ in a timely manner
20 shall only be for the current tax year. The late application ~~or~~
21 ~~certification~~ shall be filed with the county assessor on or before the
22 date on which the first half of the real estate taxes levied on the
23 property for the current year become delinquent.

24 (2) The application ~~or certification~~ shall include certification of
25 the medical condition affecting the filing from a physician, physician
26 assistant, or advanced practice registered nurse. The medical
27 certification shall be made on forms prescribed by the Tax Commissioner.

28 (3) The county assessor shall approve or reject the late filing
29 within thirty days of receipt of the late filing. If approved, the county
30 assessor shall mark it approved and sign the application ~~or~~
31 ~~certification~~. In case he or she finds that the exemption should not be

1 allowed by reason of not being in conformity to law, the county assessor
2 shall mark the application ~~or certification~~ as rejected and state the
3 reason for rejection and sign the application ~~or certification~~. In any
4 case when the county assessor rejects an exemption, he or she shall
5 notify the applicant of such action by mailing written notice to the
6 applicant at the address shown in the application ~~or certification~~. The
7 notice shall be on forms prescribed by the Tax Commissioner. In any case
8 when the county assessor rejects an exemption, such applicant may obtain
9 a hearing before the county board of equalization in the manner described
10 by section 77-3519.

11 Sec. 19. Section 77-3516, Revised Statutes Cumulative Supplement,
12 2016, is amended to read:

13 77-3516 The county assessor shall examine each application for
14 homestead exemption filed with him or her for an exemption pursuant to
15 section sections 77-3506, and 77-3507, or 77-3508 ~~to 77-3509~~ and shall
16 determine, except for the income requirements, whether or not such
17 application should be approved or rejected. If the application is
18 approved, the county assessor shall mark the same approved and sign the
19 application. In case he or she finds that the exemption should not be
20 allowed by reason of not being in conformity to law, the county assessor
21 shall mark the application rejected, and state thereon the reason for
22 such rejection, and sign the application. In any case when the county
23 assessor rejects an application for exemption, he or she shall notify the
24 applicant of such action by mailing written notice to the applicant at
25 the address shown in the application within ten days after the
26 application is rejected , ~~which notice shall be mailed not later than~~
27 ~~July 31 of each year, except that in cases of a change in ownership or~~
28 ~~occupancy from January 1 through August 15 or a late application~~
29 ~~authorized by the county board or permitted because of a medical~~
30 ~~condition which impaired the applicant's ability to file in a timely~~
31 ~~manner, the notice shall be sent within a reasonable time. The notice~~

1 shall be on forms prescribed by the Tax Commissioner.

2 Sec. 20. Section 77-3522, Revised Statutes Cumulative Supplement,
3 2016, is amended to read:

4 77-3522 (1) Any person who makes any false or fraudulent claim for
5 exemption or any false statement or false representation of a material
6 fact in support of such claim or any person who assists another in the
7 preparation of any such false or fraudulent claim or enters into any
8 collusion with another by the execution of a fictitious deed or other
9 instrument for the purpose of obtaining unlawful exemption under sections
10 77-3501 to 77-3529 shall be guilty of a Class II misdemeanor and shall be
11 subject to a forfeiture of any such exemption for a period of two years
12 from the date of conviction. Any person who shall make an oath or
13 affirmation to any false or fraudulent application for homestead
14 exemption knowing the same to be false or fraudulent shall be guilty of a
15 Class I misdemeanor.

16 (2) In addition to the penalty provided in subsection (1) of this
17 section, if any person files a claim for exemption as provided in section
18 77-3506, 77-3507, or 77-3508,~~or 77-3509~~ which is excessive due to
19 misstatements by the owner filing such claim, the claim may be disallowed
20 in full and, if the claim has been allowed, an amount equal to the amount
21 of taxes lawfully due but not paid by reason of such unlawful and
22 improper allowance of homestead exemption shall be due and shall upon
23 entry of the amount thereof on the books of the county treasurer be a
24 lien on such property until paid and a penalty equal to the amount of
25 taxes lawfully due but claimed for exemption shall be assessed.

26 Sec. 21. Section 77-3523, Revised Statutes Cumulative Supplement,
27 2016, is amended to read:

28 77-3523 The county treasurer and county assessor shall, on or before
29 November 30 of each year, certify to the Tax Commissioner the total tax
30 revenue that will be lost to all taxing agencies within the ~~his or her~~
31 county from taxes levied and assessed in that year because of exemptions

1 allowed under sections 77-3501 to 77-3529. The county treasurer and
2 county assessor may amend the certification to show any change or
3 correction in the total tax that will be lost until May 30 of the next
4 succeeding year. If a homestead exemption is approved, denied, or
5 corrected by the Tax Commissioner under subsection (2) of section 77-3517
6 after May 1 of the next year, the county treasurer and county assessor
7 shall prepare and submit amended reports to the Tax Commissioner and the
8 political subdivisions covering any affected year and shall adjust the
9 reimbursement to the county and the other political subdivisions by
10 adjusting the reimbursement due under this section in later years. The
11 Tax Commissioner shall, on or before January 1 next following such
12 certification or within thirty days of any amendment to the
13 certification, notify the Director of Administrative Services of the
14 amount so certified to be reimbursed by the state. Reimbursement of the
15 funds lost shall be made to each county according to the certification
16 and shall be distributed in six as nearly as possible equal monthly
17 payments on the last business day of each month beginning in January. The
18 State Treasurer shall, on the business day preceding the last business
19 day of each month, notify the Director of Administrative Services of the
20 amount of funds available in the General Fund for payment purposes. The
21 Director of Administrative Services shall, on the last business day of
22 each month, draw warrants against funds appropriated. Out of the amount
23 so received the county treasurer shall distribute to each of the taxing
24 agencies within his or her county the full amount so lost by such agency,
25 except that one percent of such amount shall be deposited in the county
26 general fund and that the amount due a Class V school district shall be
27 paid to the district and the county shall be compensated pursuant to
28 section 14-554. Each taxing agency shall, in preparing its annual or
29 biennial budget, take into account the amount to be received under this
30 section.

31 Sec. 22. Sections 4, 5, 6, 7, 8, 11, 12, 13, 14, 15, 16, 17, 18,

1 19, 20, 24, and 25 of this act become operative on January 1, 2019. The
2 other sections of this act become operative on their effective date.

3 Sec. 23. Original section 77-118, Reissue Revised Statutes of
4 Nebraska, sections 77-376, 77-2791, 77-3507, and 77-3523, Revised
5 Statutes Cumulative Supplement, 2016, and section 77-3508, Revised
6 Statutes Supplement, 2017, are repealed.

7 Sec. 24. Original sections 77-3505.02 and 77-3514.01, Reissue
8 Revised Statutes of Nebraska, sections 77-3501.01, 77-3506, 77-3506.02,
9 77-3506.03, 77-3509.01, 77-3509.02, 77-3509.03, 77-3512, 77-3513,
10 77-3514, 77-3516, and 77-3522, Revised Statutes Cumulative Supplement,
11 2016, and section 77-3510, Revised Statutes Supplement, 2017, are
12 repealed.

13 Sec. 25. The following section is outright repealed: Section
14 77-3509, Revised Statutes Cumulative Supplement, 2016.

15 Sec. 26. Since an emergency exists, this act takes effect when
16 passed and approved according to law.