

ONE HUNDRED SIXTH LEGISLATURE

SECOND SESSION

**LEGISLATIVE RESOLUTION 284CA**

PROPOSED CONSTITUTIONAL AMENDMENT

Introduced by Brewer, 43; La Grone, 49.

Read first time January 08, 2020

Committee: Revenue

1 THE MEMBERS OF THE ONE HUNDRED SIXTH LEGISLATURE OF NEBRASKA, SECOND  
2 SESSION, RESOLVE THAT:

3 Section 1. At the general election in November 2020, the following  
4 proposed amendment to the Constitution of Nebraska shall be submitted to  
5 the electors of the State of Nebraska for approval or rejection:

6 To amend Article VIII, section 1, and Article VIII, section 1B:

7 VIII-1 The necessary revenue of the state and its governmental  
8 subdivisions shall be raised by taxation in such manner as the  
9 Legislature may direct. Notwithstanding Article I, section 16, Article  
10 III, section 18, or Article VIII, section 4, of this Constitution or any  
11 other provision of this Constitution to the contrary: (1) Taxes shall be  
12 levied by valuation uniformly and proportionately upon all real property  
13 and franchises as defined by the Legislature except as otherwise provided  
14 in or permitted by this Constitution; (2) tangible personal property, as  
15 defined by the Legislature, not exempted by this Constitution or by  
16 legislation, shall all be taxed at depreciated cost using the same  
17 depreciation method with reasonable class lives, as determined by the  
18 Legislature, or shall all be taxed by valuation uniformly and  
19 proportionately; (3) the Legislature may provide for a different method  
20 of taxing motor vehicles and may also establish a separate class of motor  
21 vehicles consisting of those owned and held for resale by motor vehicle  
22 dealers which shall be taxed in the manner and to the extent provided by  
23 the Legislature and may also establish a separate class for trucks,

1 trailers, semitrailers, truck-tractors, or combinations thereof,  
2 consisting of those owned by residents and nonresidents of this state,  
3 and operating in interstate commerce, and may provide reciprocal and  
4 proportionate taxation of such vehicles. The tax proceeds from motor  
5 vehicles taxed in each county shall be allocated to the county and the  
6 cities, villages, and school districts of such county; (4) the  
7 Legislature may provide that agricultural land and horticultural land, as  
8 defined by the Legislature, shall constitute a separate and distinct  
9 class of property for purposes of taxation and may provide for a  
10 different method of taxing agricultural land and horticultural land which  
11 results in values that are not uniform and proportionate with all other  
12 real property and franchises but which results in values that are uniform  
13 and proportionate upon all property within the class of agricultural land  
14 and horticultural land; (5) the Legislature may enact laws to provide  
15 that the value of land actively devoted to agricultural or horticultural  
16 use shall for property tax purposes be that value which such land has for  
17 agricultural or horticultural use without regard to any value which such  
18 land might have for other purposes or uses; (6) the Legislature may  
19 prescribe standards and methods for the determination of the value of  
20 real property at uniform and proportionate values; (7) in furtherance of  
21 the purposes for which such a law of the United States has been adopted,  
22 whenever there exists a law of the United States which is intended to  
23 protect a specifically designated type, use, user, or owner of property  
24 or franchise from discriminatory state or local taxation, such property  
25 or franchise shall constitute a separate class of property or franchise  
26 under the laws of the State of Nebraska, and such property or franchise  
27 may not be taken into consideration in determining whether taxes are  
28 levied by valuation uniformly or proportionately upon any property or  
29 franchise, and the Legislature may enact laws which statutorily recognize  
30 such class and which tax or exempt from taxation such class of property  
31 or franchise in such manner as it determines; and (8) the Legislature may

1 provide that livestock shall constitute a separate and distinct class of  
2 property for purposes of taxation and may further provide for reciprocal  
3 and proportionate taxation of livestock located in this state for only  
4 part of a year. Each actual property tax rate levied for a governmental  
5 subdivision shall be the same for all classes of taxed property and  
6 franchises. Taxes uniform as to class of property or the ownership or use  
7 thereof may be levied by valuation or otherwise upon classes of  
8 intangible property as the Legislature may determine, and such intangible  
9 property held in trust or otherwise for the purpose of funding pension,  
10 profit-sharing, or other employee benefit plans as defined by the  
11 Legislature may be declared exempt from taxation. Taxes other than  
12 property taxes may be authorized by law, except as provided in Article  
13 VIII, section 1B, of this Constitution. Existing revenue laws shall  
14 continue in effect until changed by the Legislature.

15 VIII-1B (1) When an income tax is adopted by the Legislature, the  
16 Legislature may adopt an income tax law based upon the laws of the United  
17 States.

18 (2) The State of Nebraska shall be prohibited from imposing an  
19 income tax for all taxable years beginning or deemed to begin on or after  
20 January 1, 2024.

21 (3) In order to comply with subsection (2) of this section, the  
22 Legislature shall eliminate the income tax over a four-year period as  
23 follows:

24 (a) For taxable years beginning or deemed to begin on or after  
25 January 1, 2021, and before January 1, 2022, income tax rates shall be  
26 reduced to seventy-five percent of their pre-adjustment level;

27 (b) For taxable years beginning or deemed to begin on or after  
28 January 1, 2022, and before January 1, 2023, income tax rates shall be  
29 reduced to fifty percent of their pre-adjustment level;

30 (c) For taxable years beginning or deemed to begin on or after  
31 January 1, 2023, and before January 1, 2024, income tax rates shall be

1 reduced to twenty-five percent of their pre-adjustment level; and

2 (d) For taxable years beginning or deemed to begin on or after  
3 January 1, 2024, no income tax shall be imposed.

4 (4) For purposes of this section, pre-adjustment level means the  
5 income tax rates in effect immediately prior to the reduction required in  
6 subdivision (3)(a) of this section.

7 Sec. 2. The proposed amendment shall be submitted to the electors  
8 in the manner prescribed by the Constitution of Nebraska, Article XVI,  
9 section 1, with the following ballot language:

10 A constitutional amendment to prohibit the state from imposing an  
11 income tax for all taxable years beginning or deemed to begin on or after  
12 January 1, 2024, and to require the Legislature to eliminate the income  
13 tax over a four-year period.

14 For

15 Against.