LEGISLATURE OF NEBRASKA

ONE HUNDRED SEVENTH LEGISLATURE

FIRST SESSION

LEGISLATIVE BILL 430

Introduced by Revenue Committee: Linehan, 39, Chairperson; Albrecht, 17; Briese, 41; Friesen, 34; Lindstrom, 18.

Read first time January 15, 2021

Committee: Revenue

- 1 A BILL FOR AN ACT relating to property taxes; to amend section 77-120,
- 2 Reissue Revised Statutes of Nebraska; to change provisions relating
- 3 to net book value; to provide an operative date; and to repeal the
- 4 original section.
- 5 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-120, Reissue Revised Statutes of Nebraska, is 2 amended to read: 77-120 (1) Net book value of property for taxation shall mean that 3 portion of the Nebraska adjusted basis of the property as of the 4 assessment date for the applicable recovery period in the table set forth 5 in this subsection. 6 NET BOOK VALUE AS A PERCENT 7 8 OF NEBRASKA ADJUSTED BASIS 9 Year Recovery Period (in years) 3 7 10 20 10 5 15 11 1 75.00 85.00 89.29 92.50 95.00 96.25 12 2 37.50 59.50 70.16 78.62 85.50 89.03 13 3 12.50 41.65 55.13 66.83 76.95 82.35 14 4 0.00 24.99 42.88 56.81 69.25 76.18 15 5 8.33 30.63 48.07 62.32 70.46 0.00 18.38 56.09 65.18 16 6 39.33 17 7 6.13 30.59 50.19 60.29 8 0.00 21.85 44.29 55.77 18 9 19 38.38 51.31 13.11 20 10 4.37 32.48 46.85 21 11 0.00 26.57 42.38 22 12 20.67 37.92 23 13 14.76 33.46 24 14 8.86 29.00 24.54 25 15 2.95 26 0.00 20.08 16 15.62 27 17 28 18 11.15 29 <u>19</u> 6.68 19 30 6.69

LB430 2021	LB430 2021
1	20 2.23
2	21 0.00
3	Net book value as a percent of Nebraska adjusted basis shall be
4	calculated using the one-hundred-fifty-percent declining balance method,
5	switching to straight line, with a one-half-year convention.
6	(2) The applicable recovery period for any item of property shall be
7	determined as follows:
8	(a) Three-year property shall include property with a class life of
9	four years or less;
10	(b) Five-year property shall include property with a class life of
11	more than four years and less than ten years;
12	(c) Seven-year property shall include property with a class life of
13	ten years or more but less than sixteen years;
14	(d) Ten-year property shall include property with a class life of
15	sixteen years or more but less than twenty years;
16	(e) Fifteen-year property shall include property with a class life
17	of twenty years or more but less than twenty-five years; and
18	(f) Twenty-year property shall include property with a class life of
19	twenty-five years or more.
20	(3) Class life shall be based upon the anticipated useful life of a
21	class of property and shall be determined by the Property Tax
22	Administrator under the Internal Revenue Code.
23	(4) One-half-year convention shall be a convention which treats all
24	property placed in service during any tax year as placed in service on
25	the midpoint of such tax year.
26	(5) The percent shown for year one shall be the percent used for
27	January 1 of the year following the year the property is placed in

29 Sec. 2. This act becomes operative on January 1, 2022.

28 service.

30 Sec. 3. Original section 77-120, Reissue Revised Statutes of 31 Nebraska, is repealed.

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