

LEGISLATURE OF NEBRASKA
ONE HUNDRED EIGHTH LEGISLATURE
FIRST SPECIAL SESSION

LEGISLATIVE BILL 69

Introduced by Conrad, 46.

Read first time July 29, 2024

Committee: Revenue

1 A BILL FOR AN ACT relating to revenue and taxation; to amend sections
2 9-1204, 77-4209, 77-4210, and 77-4211, Reissue Revised Statutes of
3 Nebraska; section 77-27,132, Revised Statutes Supplement, 2023, as
4 amended by Laws 2024, LB1108, section 3; section 77-4212, Revised
5 Statutes Supplement, 2023, as amended by Laws 2024, LB126, section
6 11; and Laws 2024, LB685, section 17; to rename the Property Tax
7 Credit Act and a fund; to change the property tax credit; to provide
8 property tax relief; to harmonize provisions; to repeal the original
9 sections; and to declare an emergency.
10 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 9-1204, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 9-1204 Of the tax imposed by section 9-1203, seventy-five percent
4 shall be remitted to the State Treasurer for credit as follows: Two and
5 one-half percent to the Compulsive Gamblers Assistance Fund, two and one-
6 half percent to the General Fund, and seventy percent to the Property Tax
7 Assistance Credit Cash Fund. The remaining twenty-five percent of the tax
8 shall be remitted to the county treasurer of the county in which the
9 licensed racetrack enclosure is located to be distributed as follows: (1)
10 If the licensed racetrack enclosure is located completely within an
11 unincorporated area of a county, the remaining twenty-five percent shall
12 be distributed to the county in which such licensed racetrack enclosure
13 is located; or (2) if the licensed racetrack enclosure is located at
14 least partially within the limits of a city or village in such county,
15 one-half of the remaining twenty-five percent shall be distributed to
16 such county and one-half of the remaining twenty-five percent to the city
17 or village in which such licensed racetrack enclosure is at least
18 partially located.

19 Sec. 2. Section 77-27,132, Revised Statutes Supplement, 2023, as
20 amended by Laws 2024, LB1108, section 3, is amended to read:

21 77-27,132 (1) There is hereby created a fund to be designated the
22 Revenue Distribution Fund which shall be set apart and maintained by the
23 Tax Commissioner. Revenue not required to be credited to the General Fund
24 or any other specified fund may be credited to the Revenue Distribution
25 Fund. Credits and refunds of such revenue shall be paid from the Revenue
26 Distribution Fund. The balance of the amount credited, after credits and
27 refunds, shall be allocated as provided by the statutes creating such
28 revenue.

29 (2) The Tax Commissioner shall pay to a depository bank designated
30 by the State Treasurer all amounts collected under the Nebraska Revenue
31 Act of 1967. The Tax Commissioner shall present to the State Treasurer

1 bank receipts showing amounts so deposited in the bank, and of the
2 amounts so deposited the State Treasurer shall:

3 (a)(i) For transactions occurring on or after October 1, 2014, and
4 before July 1, 2024, credit to the Game and Parks Commission Capital
5 Maintenance Fund all of the proceeds of the sales and use taxes imposed
6 pursuant to section 77-2703 on the sale or lease of motorboats as defined
7 in section 37-1204, personal watercraft as defined in section 37-1204.01,
8 all-terrain vehicles as defined in section 60-103, and utility-type
9 vehicles as defined in section 60-135.01; and

10 (ii) For transactions occurring on or after July 1, 2024, credit to
11 the Game and Parks Commission Capital Maintenance Fund all of the
12 proceeds of the sales and use taxes imposed pursuant to section 77-2703
13 on the sale or lease of motorboats as defined in section 37-1204,
14 personal watercraft as defined in section 37-1204.01, all-terrain
15 vehicles as defined in section 60-103, and utility-type vehicles as
16 defined in section 60-135.01, and from such proceeds, transfers shall be
17 made to the Nebraska Emergency Medical System Operations Fund as provided
18 in section 37-327.02;

19 (b) Credit to the Highway Trust Fund all of the proceeds of the
20 sales and use taxes derived from the sale or lease for periods of more
21 than thirty-one days of motor vehicles, trailers, and semitrailers,
22 except that the proceeds equal to any sales tax rate provided for in
23 section 77-2701.02 that is in excess of five percent derived from the
24 sale or lease for periods of more than thirty-one days of motor vehicles,
25 trailers, and semitrailers shall be credited to the Highway Allocation
26 Fund;

27 (c) For transactions occurring on or after July 1, 2013, and before
28 July 1, 2042, of the proceeds of the sales and use taxes derived from
29 transactions other than those listed in subdivisions (2)(a), (b), and (e)
30 of this section from a sales tax rate of one-quarter of one percent,
31 credit monthly eighty-five percent to the Highway Trust Fund and fifteen

1 percent to the Highway Allocation Fund;

2 (d) Of the proceeds of the sales and use taxes derived from
3 transactions other than those listed in subdivisions (2)(a), (b), and (e)
4 of this section, credit to the Property Tax Assistance ~~Credit~~ Cash Fund
5 the amount certified under section 77-27,237, if any such certification
6 is made; and

7 (e) For transactions occurring on or after July 1, 2023, credit to
8 the Department of Transportation Aeronautics Capital Improvement Fund all
9 of the proceeds of the sales and use taxes imposed pursuant to section
10 77-2703 on the sale or lease of aircraft as defined in section 3-101.

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

13 Sec. 3. Laws 2024, LB685, section 17, is amended to read:

14 Sec. 17. (1) Except as otherwise provided in subsection (5) of this
15 section, a tax is hereby imposed and levied, in the amount and in
16 accordance with this section, upon the net operating revenue of all cash
17 devices operating within the State of Nebraska for profit or gain either
18 directly or indirectly received. The tax shall be paid in the amount and
19 manner specified in this section.

20 (2) Except as otherwise provided in subsection (5) of this section,
21 beginning on and after July 1, 2025, any distributor of a cash device,
22 and any operator of a cash device if the operator is not subject to a
23 revenue-sharing or other agreement with a distributor who is paying the
24 tax, shall pay a tax for each cash device in operation each calendar
25 quarter during the taxable year. The tax shall be collected by the
26 department and due and payable on January 1, April 1, July 1, and October
27 1 of each year on each cash device in operation during the preceding
28 calendar quarter. For each cash device put into operation on a date
29 subsequent to a quarterly due date that has not been included in
30 computing the tax imposed and levied by the Mechanical Amusement Device
31 Tax Act, the tax shall be due and payable on the immediately succeeding

1 quarterly due date.

2 (3) The amount of the tax imposed and levied under this section
3 shall be five percent of the net operating revenue for each cash device.
4 The quarterly tax shall be submitted on a form prescribed by the Tax
5 Commissioner documenting the total gross and net operating revenue for
6 that quarter.

7 (4) The Tax Commissioner shall remit the taxes collected pursuant to
8 this section to the State Treasurer for credit as follows:

9 (a) Twenty percent to the Charitable Gaming Operations Fund for
10 enforcement of the act and maintenance of the central server;

11 (b) Two and one-half percent to the Compulsive Gamblers Assistance
12 Fund;

13 (c) Two and one-half percent to the General Fund;

14 (d) Ten percent to the Nebraska Tourism Commission Promotional Cash
15 Fund;

16 (e) Forty percent to the Property Tax ~~Assistance Credit~~ Cash Fund;
17 and

18 (f) The remaining twenty-five percent to the county treasurer of the
19 county in which the cash device is located to be distributed as follows:

20 (i) If the cash device is located completely within an unincorporated
21 area of a county, the remaining twenty-five percent shall be distributed
22 to the county in which the cash device is located, or (ii) if the cash
23 device is located within the limits of a city or village in such county,
24 one-half of the remaining twenty-five percent shall be distributed to
25 such county and one-half of the remaining twenty-five percent shall be
26 distributed to the city or village in which such cash device is located.

27 (5) This section does not apply to cash devices operated by a
28 fraternal benefit society organized and licensed under sections 44-1072
29 to 44-10,109 or a recognized veterans organization as defined in section
30 80-401.01.

31 Sec. 4. Section 77-4209, Reissue Revised Statutes of Nebraska, is

1 amended to read:

2 77-4209 Sections 77-4209 to 77-4212 and section 6 of this act shall
3 be known and may be cited as the Property Tax Assistance Credit Act.

4 Sec. 5. Section 77-4210, Reissue Revised Statutes of Nebraska, is
5 amended to read:

6 77-4210 The purpose of the Property Tax Assistance Credit Act is to
7 provide property tax relief for property taxes levied against homesteads.
8 ~~real property. The property tax relief will be made to owners of real~~
9 ~~property in the form of a property tax credit.~~

10 Sec. 6. For purposes of the Property Tax Assistance Act, homestead
11 has the same meaning as in section 77-3502.

12 Sec. 7. Section 77-4211, Reissue Revised Statutes of Nebraska, is
13 amended to read:

14 77-4211 The Property Tax Assistance Credit Cash Fund is created. The
15 fund shall only be used pursuant to the Property Tax Assistance Credit
16 Act. Any money in the fund available for investment shall be invested by
17 the state investment officer pursuant to the Nebraska Capital Expansion
18 Act and the Nebraska State Funds Investment Act.

19 Sec. 8. Section 77-4212, Revised Statutes Supplement, 2023, as
20 amended by Laws 2024, LB126, section 11, is amended to read:

21 77-4212 (1) For tax year 2007, the amount of relief granted under
22 the Property Tax Assistance Credit Act shall be one hundred five million
23 dollars. For tax year 2008, the amount of relief granted under the act
24 shall be one hundred fifteen million dollars. ~~It is the intent of the~~
25 ~~Legislature to fund the Property Tax Credit Act for tax years after tax~~
26 ~~year 2008 using available revenue.~~ For tax year 2017, the amount of
27 relief granted under the act shall be two hundred twenty-four million
28 dollars. For tax year 2020 through tax year 2022, the minimum amount of
29 relief granted under the act shall be two hundred seventy-five million
30 dollars. For tax year 2023, the minimum amount of relief granted under
31 the act shall be three hundred sixty million dollars. For tax year 2024,

1 the minimum amount of relief granted under the act shall be three hundred
2 ninety-five million dollars. ~~For tax year 2025, the minimum amount of~~
3 ~~relief granted under the act shall be four hundred thirty million~~
4 ~~dollars. For tax year 2026, the minimum amount of relief granted under~~
5 ~~the act shall be four hundred forty five million dollars. For tax year~~
6 ~~2027, the minimum amount of relief granted under the act shall be four~~
7 ~~hundred sixty million dollars. For tax year 2028, the minimum amount of~~
8 ~~relief granted under the act shall be four hundred seventy five million~~
9 ~~dollars. For tax year 2029, the minimum amount of relief granted under~~
10 ~~the act shall be the minimum amount from the prior tax year plus a~~
11 ~~percentage increase equal to the percentage increase, if any, in the~~
12 ~~total assessed value of all real property in the state from the prior~~
13 ~~year to the current year, as determined by the Department of Revenue,~~
14 ~~plus an additional seventy five million dollars. For tax year 2030 and~~
15 ~~each tax year thereafter, the minimum amount of relief granted under the~~
16 ~~act shall be the minimum amount from the prior tax year plus a percentage~~
17 ~~increase equal to the percentage increase, if any, in the total assessed~~
18 ~~value of all real property in the state from the prior year to the~~
19 ~~current year, as determined by the Department of Revenue. If money is~~
20 ~~transferred or credited to the Property Tax Assistance Credit Cash Fund~~
21 ~~pursuant to any other state law, such amount shall be added to the~~
22 ~~minimum amount required under this subsection when determining the total~~
23 ~~amount of relief granted under the act. The relief shall be in the form~~
24 ~~of a property tax credit which appears on the property tax statement,~~
25 except that for tax years after 2024, the relief shall be in the form of
26 a homestead exemption.

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

1 property tax credit for the property.

2 (b) For tax years after tax year 2016 and prior to tax year 2025
3 ~~Beginning with tax year 2017~~, to determine the amount of the property tax
4 credit, the county treasurer shall multiply the amount disbursed to the
5 county under subdivision (4)(b) of this section by the ratio of the
6 credit allocation valuation of the parcel to the total credit allocation
7 valuation in the county. The amount determined shall be the property tax
8 credit for the property.

9 (3) For tax years prior to 2025, if ~~If~~ the real property owner
10 qualifies for a homestead exemption under sections 77-3501 to 77-3529 and
11 section 3 of this act, the owner shall also be qualified for the relief
12 provided in the act to the extent of any remaining liability after
13 calculation of the relief provided by the homestead exemption. If the
14 credit results in a property tax liability on the homestead that is less
15 than zero, the amount of the credit which cannot be used by the taxpayer
16 shall be returned to the Property Tax Administrator by July 1 of the year
17 the amount disbursed to the county was disbursed. The Property Tax
18 Administrator shall immediately credit any funds returned under this
19 subsection to the Property Tax Assistance Credit ~~Credit~~ Cash Fund. Upon the
20 return of any funds under this subsection, the county treasurer shall
21 electronically file a report with the Property Tax Administrator, on a
22 form prescribed by the Tax Commissioner, indicating the amount of funds
23 distributed to each taxing unit in the county in the year the funds were
24 returned, any collection fee retained by the county in such year, and the
25 amount of unused credits returned.

26 (4)(a) For tax years prior to tax year 2017, the amount disbursed to
27 each county shall be equal to the amount available for disbursement
28 determined under subsection (1) of this section multiplied by the ratio
29 of the real property valuation in the county to the real property
30 valuation in the state. By September 15, the Property Tax Administrator
31 shall determine the amount to be disbursed under this subdivision to each

1 county and certify such amounts to the State Treasurer and to each
2 county. The disbursements to the counties shall occur in two equal
3 payments, the first on or before January 31 and the second on or before
4 April 1. After retaining one percent of the receipts for costs, the
5 county treasurer shall allocate the remaining receipts to each taxing
6 unit levying taxes on taxable property in the tax district in which the
7 real property is located in the same proportion that the levy of such
8 taxing unit bears to the total levy on taxable property of all the taxing
9 units in the tax district in which the real property is located.

10 (b) For tax years after tax year 2016 and prior to tax year 2025
11 ~~Beginning with tax year 2017,~~ the amount disbursed to each county shall
12 be equal to the amount available for disbursement determined under
13 subsection (1) of this section multiplied by the ratio of the credit
14 allocation valuation in the county to the credit allocation valuation in
15 the state. By September 15, the Property Tax Administrator shall
16 determine the amount to be disbursed under this subdivision to each
17 county and certify such amounts to the State Treasurer and to each
18 county. The disbursements to the counties shall occur in two equal
19 payments, the first on or before January 31 and the second on or before
20 April 1. After retaining one percent of the receipts for costs, the
21 county treasurer shall allocate the remaining receipts to each taxing
22 unit based on its share of the credits granted to all taxpayers in the
23 taxing unit.

24 (5) For tax year 2025, all homesteads in this state shall be
25 assessed for taxation the same as other property, except that there shall
26 be exempt from taxation of a homestead a dollar amount equal to a
27 percentage of the assessed value of the homestead. Such percentage shall
28 be applied statewide and shall be determined annually by the Property Tax
29 Administrator based on appropriations to the Property Tax Assistance Cash
30 Fund. For tax year 2025, an owner of a homestead shall file an
31 application for the homestead exemption provided in this subsection

1 pursuant to section 77-3512. For tax year 2026 and subsequent tax years,
2 if an owner has been granted the homestead exemption provided in this
3 subsection, no reapplication need be filed for succeeding years, in which
4 case the county assessor shall determine whether the claimant qualifies
5 for the homestead exemption in such succeeding years as though a claim
6 were made. Sections 77-3501 to 77-3529 and Laws 2024, LB126, section 3,
7 shall apply to the homestead exemption provided in this subsection.
8 Reimbursement to counties under section 77-3523 for the homestead
9 exemption shall be made from the Property Tax Assistance Cash Fund.

10 (6) ~~(5)~~ For purposes of this section, credit allocation valuation
11 means the taxable value for all real property except agricultural land
12 and horticultural land, one hundred twenty percent of taxable value for
13 agricultural land and horticultural land that is not subject to special
14 valuation, and one hundred twenty percent of taxable value for
15 agricultural land and horticultural land that is subject to special
16 valuation.

17 (7) ~~(6)~~ The State Treasurer shall transfer from the General Fund to
18 the Property Tax Credit Cash Fund one hundred five million dollars by
19 August 1, 2007, and one hundred fifteen million dollars by August 1,
20 2008. The State Treasurer shall transfer from the General Fund to the
21 Property Tax Assistance Cash Fund ninety million dollars by August 1,
22 2025.

23 (8) ~~(7)~~ The Legislature shall have the power to transfer funds from
24 the Property Tax Assistance ~~Credit~~ Cash Fund to the General Fund.

25 Sec. 9. Original sections 9-1204, 77-4209, 77-4210, and 77-4211,
26 Reissue Revised Statutes of Nebraska; section 77-27,132, Revised Statutes
27 Supplement, 2023, as amended by Laws 2024, LB1108, section 3; section
28 77-4212, Revised Statutes Supplement, 2023, as amended by Laws 2024,
29 LB126, section 11; and Laws 2024, LB685, section 17, are repealed.

30 Sec. 10. Since an emergency exists, this act takes effect when
31 passed and approved according to law.