

LEGISLATURE OF NEBRASKA  
ONE HUNDRED NINTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 200**

Introduced by Sorrentino, 39.

Read first time January 14, 2025

Committee: Revenue

- 1 A BILL FOR AN ACT relating to revenue and taxation; to amend sections
- 2 77-202, 77-693, 77-801, 77-1238, 77-1239, 77-1248, and 77-1514,
- 3 Revised Statutes Cumulative Supplement, 2024; to reinstate the
- 4 exemptions provided under the Personal Property Tax Relief Act; to
- 5 harmonize provisions; and to repeal the original sections.
- 6 Be it enacted by the people of the State of Nebraska,

1           **Section 1.** Section 77-202, Revised Statutes Cumulative Supplement,  
2 2024, is amended to read:

3           77-202 (1) The following property shall be exempt from property  
4 taxes:

5           (a) Property of the state and its governmental subdivisions to the  
6 extent used or being developed for use by the state or governmental  
7 subdivision for a public purpose. For purposes of this subdivision:

8           (i) Property of the state and its governmental subdivisions means  
9 (A) property held in fee title by the state or a governmental subdivision  
10 or (B) property beneficially owned by the state or a governmental  
11 subdivision in that it is used for a public purpose and is being acquired  
12 under a lease-purchase agreement, financing lease, or other instrument  
13 which provides for transfer of legal title to the property to the state  
14 or a governmental subdivision upon payment of all amounts due thereunder.  
15 If the property to be beneficially owned by a governmental subdivision  
16 has a total acquisition cost that exceeds the threshold amount or will be  
17 used as the site of a public building with a total estimated construction  
18 cost that exceeds the threshold amount, then such property shall qualify  
19 for an exemption under this section only if the question of acquiring  
20 such property or constructing such public building has been submitted at  
21 a primary, general, or special election held within the governmental  
22 subdivision and has been approved by the voters of the governmental  
23 subdivision. For purposes of this subdivision, threshold amount means the  
24 greater of fifty thousand dollars or six-tenths of one percent of the  
25 total actual value of real and personal property of the governmental  
26 subdivision that will beneficially own the property as of the end of the  
27 governmental subdivision's prior fiscal year; and

28           (ii) Public purpose means use of the property (A) to provide public  
29 services with or without cost to the recipient, including the general  
30 operation of government, public education, public safety, transportation,  
31 public works, civil and criminal justice, public health and welfare,

1 developments by a public housing authority, parks, culture, recreation,  
2 community development, and cemetery purposes, or (B) to carry out the  
3 duties and responsibilities conferred by law with or without  
4 consideration. Public purpose does not include leasing of property to a  
5 private party unless the lease of the property is at fair market value  
6 for a public purpose. Leases of property by a public housing authority to  
7 low-income individuals as a place of residence are for the authority's  
8 public purpose;

9 (b) Unleased property of the state or its governmental subdivisions  
10 which is not being used or developed for use for a public purpose but  
11 upon which a payment in lieu of taxes is paid for public safety, rescue,  
12 and emergency services and road or street construction or maintenance  
13 services to all governmental units providing such services to the  
14 property. Except as provided in Article VIII, section 11, of the  
15 Constitution of Nebraska, the payment in lieu of taxes shall be based on  
16 the proportionate share of the cost of providing public safety, rescue,  
17 or emergency services and road or street construction or maintenance  
18 services unless a general policy is adopted by the governing body of the  
19 governmental subdivision providing such services which provides for a  
20 different method of determining the amount of the payment in lieu of  
21 taxes. The governing body may adopt a general policy by ordinance or  
22 resolution for determining the amount of payment in lieu of taxes by  
23 majority vote after a hearing on the ordinance or resolution. Such  
24 ordinance or resolution shall nevertheless result in an equitable  
25 contribution for the cost of providing such services to the exempt  
26 property;

27 (c) Property owned by and used exclusively for agricultural and  
28 horticultural societies;

29 (d)(i) Property owned by educational, religious, charitable, or  
30 cemetery organizations, or any organization for the exclusive benefit of  
31 any such educational, religious, charitable, or cemetery organization,

1 and used exclusively for educational, religious, charitable, or cemetery  
2 purposes, when such property is not (A) owned or used for financial gain  
3 or profit to either the owner or user, (B) used for the sale of alcoholic  
4 liquors for more than twenty hours per week, or (C) owned or used by an  
5 organization which discriminates in membership or employment based on  
6 race, color, or national origin.

7 (ii) For purposes of subdivision (1)(d) of this section:

8 (A) Educational organization means (I) an institution operated  
9 exclusively for the purpose of offering regular courses with systematic  
10 instruction in academic, vocational, or technical subjects or assisting  
11 students through services relating to the origination, processing, or  
12 guarantying of federally reinsured student loans for higher education,  
13 (II) a museum or historical society operated exclusively for the benefit  
14 and education of the public, or (III) a nonprofit organization that owns  
15 or operates a child care facility; and

16 (B) Charitable organization includes (I) an organization operated  
17 exclusively for the purpose of the mental, social, or physical benefit of  
18 the public or an indefinite number of persons and (II) a fraternal  
19 benefit society organized and licensed under sections 44-1072 to  
20 44-10,109.

21 (iii) The property tax exemption authorized in subdivision (1)(d)(i)  
22 of this section shall apply to any skilled nursing facility as defined in  
23 section 71-429, nursing facility as defined in section 71-424, or  
24 assisted-living facility as defined in section 71-5903 that provides  
25 housing for medicaid beneficiaries, except that the exemption amount for  
26 such property shall be a percentage of the property taxes that would  
27 otherwise be due. Such percentage shall be equal to the average  
28 percentage of occupied beds in the facility provided to medicaid  
29 beneficiaries over the most recent three-year period.

30 (iv) The property tax exemption authorized in subdivision (1)(d)(i)  
31 of this section shall apply to a building that (A) is owned by a

1 charitable organization, (B) is made available to students in attendance  
2 at an educational institution, and (C) is recognized by such educational  
3 institution as approved student housing, except that the exemption shall  
4 only apply to the commons area of such building, including any common  
5 rooms and cooking and eating facilities; and

6 (e) Household goods and personal effects not owned or used for  
7 financial gain or profit to either the owner or user.

8 (2) The increased value of land by reason of shade and ornamental  
9 trees planted along the highway shall not be taken into account in the  
10 valuation of land.

11 (3) Tangible personal property which is not depreciable tangible  
12 personal property as defined in section 77-119 shall be exempt from  
13 property tax.

14 (4) Motor vehicles, trailers, and semitrailers required to be  
15 registered for operation on the highways of this state shall be exempt  
16 from payment of property taxes.

17 (5) Business and agricultural inventory shall be exempt from the  
18 personal property tax. For purposes of this subsection, business  
19 inventory includes personal property owned for purposes of leasing or  
20 renting such property to others for financial gain only if the personal  
21 property is of a type which in the ordinary course of business is leased  
22 or rented thirty days or less and may be returned at the option of the  
23 lessee or renter at any time and the personal property is of a type which  
24 would be considered household goods or personal effects if owned by an  
25 individual. All other personal property owned for purposes of leasing or  
26 renting such property to others for financial gain shall not be  
27 considered business inventory.

28 (6) Any personal property exempt pursuant to subsection (2) of  
29 section 77-4105 or section 77-5209.02 shall be exempt from the personal  
30 property tax.

31 (7) Livestock shall be exempt from the personal property tax.

1           (8) Any personal property exempt pursuant to the Nebraska Advantage  
2 Act or the Imagine Nebraska Act shall be exempt from the personal  
3 property tax.

4           (9) Any depreciable tangible personal property used directly in the  
5 generation of electricity using wind as the fuel source shall be exempt  
6 from the property tax levied on depreciable tangible personal property.  
7 Any depreciable tangible personal property used directly in the  
8 generation of electricity using solar, biomass, or landfill gas as the  
9 fuel source shall be exempt from the property tax levied on depreciable  
10 tangible personal property if such depreciable tangible personal property  
11 was installed on or after January 1, 2016, and has a nameplate capacity  
12 of one hundred kilowatts or more. Depreciable tangible personal property  
13 used directly in the generation of electricity using wind, solar,  
14 biomass, or landfill gas as the fuel source includes, but is not limited  
15 to, wind turbines, rotors and blades, towers, solar panels, trackers,  
16 generating equipment, transmission components, substations, supporting  
17 structures or racks, inverters, and other system components such as  
18 wiring, control systems, switchgears, and generator step-up transformers.

19           (10) Any tangible personal property that is acquired by a person  
20 operating a data center located in this state, that is assembled,  
21 engineered, processed, fabricated, manufactured into, attached to, or  
22 incorporated into other tangible personal property, both in component  
23 form or that of an assembled product, for the purpose of subsequent use  
24 at a physical location outside this state by the person operating a data  
25 center shall be exempt from the personal property tax. Such exemption  
26 extends to keeping, retaining, or exercising any right or power over  
27 tangible personal property in this state for the purpose of subsequently  
28 transporting it outside this state for use thereafter outside this state.  
29 For purposes of this subsection, data center means computers, supporting  
30 equipment, and other organized assembly of hardware or software that are  
31 designed to centralize the storage, management, or dissemination of data

1 and information, environmentally controlled structures or facilities or  
2 interrelated structures or facilities that provide the infrastructure for  
3 housing the equipment, such as raised flooring, electricity supply,  
4 communication and data lines, Internet access, cooling, security, and  
5 fire suppression, and any building housing the foregoing.

6 (11) For tax years after ~~prior to~~ tax year 2024 ~~2020~~, each person  
7 who owns property required to be reported to the county assessor under  
8 section 77-1201 shall be allowed an exemption amount as provided in the  
9 Personal Property Tax Relief Act. For tax years after ~~prior to~~ tax year  
10 2024 ~~2020~~, each person who owns property required to be valued by the  
11 state as provided in section 77-601, 77-682, 77-801, or 77-1248 shall be  
12 allowed a compensating exemption factor as provided in the Personal  
13 Property Tax Relief Act.

14 (12)(a) Broadband equipment shall be exempt from the personal  
15 property tax if such broadband equipment is:

16 (i) Deployed in an area funded in whole or in part by funds from the  
17 Broadband Equity, Access, and Deployment Program, authorized by the  
18 federal Infrastructure Investment and Jobs Act, Public Law 117-58; or

19 (ii) Deployed in a qualified census tract located within the  
20 corporate limits of a city of the metropolitan class and being utilized  
21 to provide end-users with access to the Internet at speeds of at least  
22 one hundred megabits per second for downloading and at least one hundred  
23 megabits per second for uploading.

24 (b) An owner of broadband equipment seeking an exemption under this  
25 section shall apply for an exemption to the county assessor on or before  
26 December 31 of the year preceding the year for which the exemption is to  
27 begin. If the broadband equipment meets the criteria described in this  
28 subsection, the county assessor shall approve the application within  
29 thirty calendar days after receiving the application. The application  
30 shall be on forms prescribed by the Tax Commissioner.

31 (c) For purposes of this subsection:

1 (i) Broadband communications service means telecommunications  
2 service as defined in section 86-121, video programming as defined in 47  
3 U.S.C. 522, as such section existed on January 1, 2024, or Internet  
4 access as defined in section 1104 of the federal Internet Tax Freedom  
5 Act, Public Law 105-277;

6 (ii) Broadband equipment means machinery or equipment used to  
7 provide broadband communications service and includes, but is not limited  
8 to, wires, cables, fiber, conduits, antennas, poles, switches, routers,  
9 amplifiers, rectifiers, repeaters, receivers, multiplexers, duplexers,  
10 transmitters, circuit cards, insulating and protective materials and  
11 cases, power equipment, backup power equipment, diagnostic equipment,  
12 storage devices, modems, and other general central office or headend  
13 equipment, such as channel cards, frames, and cabinets, or equipment used  
14 in successor technologies, including items used to monitor, test,  
15 maintain, enable, or facilitate qualifying equipment, machinery,  
16 software, ancillary components, appurtenances, accessories, or other  
17 infrastructure that is used in whole or in part to provide broadband  
18 communications service. Machinery or equipment used to produce broadband  
19 communications service does not include personal consumer electronics,  
20 including, but not limited to, smartphones, computers, and tablets; and

21 (iii) Qualified census tract means a qualified census tract as  
22 defined in 26 U.S.C. 42(d)(5)(B)(ii)(I), as such section existed on  
23 January 1, 2024.

24 **Sec. 2.** Section 77-693, Revised Statutes Cumulative Supplement,  
25 2024, is amended to read:

26 77-693 (1) The Property Tax Administrator in determining the taxable  
27 value of railroads and car lines shall determine the following ratios  
28 involving railroad and car line property and commercial and industrial  
29 property:

30 (a) The ratio of the taxable value of all commercial and industrial  
31 personal property in the state actually subjected to property tax divided



1 by the market value of all commercial and industrial personal property in  
2 the state;

3 (b) The ratio of the taxable value of all commercial and industrial  
4 real property in the state actually subjected to property tax divided by  
5 the market value of all commercial and industrial real property in the  
6 state;

7 (c) The ratio of the taxable value of railroad personal property to  
8 the market value of railroad personal property. The numerator of the  
9 ratio shall be the taxable value of railroad personal property. The  
10 denominator of the ratio shall be the railroad system value allocated to  
11 Nebraska and multiplied by a factor representing the net book value of  
12 rail transportation personal property divided by the net book value of  
13 total rail transportation property;

14 (d) The ratio of the taxable value of railroad real property to the  
15 market value of railroad real property. The numerator of the ratio shall  
16 be the taxable value of railroad real property. The denominator of the  
17 ratio shall be the railroad system value allocated to Nebraska and  
18 multiplied by a factor representing the net book value of rail  
19 transportation real property divided by the net book value of total rail  
20 transportation property; and

21 (e) Similar calculations shall be made for car line taxable  
22 properties.

23 (2) If the ratio of the taxable value of railroad and car line  
24 personal or real property exceeds the ratio of the comparable taxable  
25 commercial and industrial property by more than five percent, the  
26 Property Tax Administrator may adjust the value of such railroad and car  
27 line property to the percentage of the comparable taxable commercial and  
28 industrial property pursuant to federal statute or Nebraska federal court  
29 decisions applicable thereto.

30 (3) For purposes of this section, commercial and industrial property  
31 shall mean all real and personal property which is devoted to commercial

1 or industrial use other than rail transportation property and land used  
2 primarily for agricultural purposes.

3 (4) For tax years after ~~prior to~~ tax year 2024 ~~2020~~, after the  
4 adjustment made pursuant to subsections (1) and (2) of this section, the  
5 Property Tax Administrator shall multiply the value of the tangible  
6 personal property of each railroad and car line by the compensating  
7 exemption factor calculated in section 77-1238.

8 **Sec. 3.** Section 77-801, Revised Statutes Cumulative Supplement,  
9 2024, is amended to read:

10 77-801 (1) All public service entities shall, on or before April 15  
11 of each year, furnish a statement specifying such information as may be  
12 required by the Property Tax Administrator on forms prescribed by the Tax  
13 Commissioner to determine and distribute the entity's total taxable value  
14 including the franchise value. All information reported by the public  
15 service entities, not available from any other public source, and any  
16 memorandum thereof shall be confidential and available to taxing  
17 officials only. For good cause shown, the Property Tax Administrator may  
18 allow an extension of time in which to file such statement. Such  
19 extension shall not exceed fifteen days after April 15.

20 (2) The returns of public service entities shall not be held to be  
21 conclusive as to the taxable value of the property, but the Property Tax  
22 Administrator shall, from all the information which he or she is able to  
23 obtain, find the taxable value of all such property, including tangible  
24 property and franchises, and shall assess such property on the same basis  
25 as other property is required to be assessed.

26 (3) The county assessor shall assess all nonoperating property of  
27 any public service entity. A public service entity operating within the  
28 State of Nebraska shall, on or before January 1 of each year, report to  
29 the county assessor of each county in which it has situs all nonoperating  
30 property belonging to such entity which is not subject to assessment and  
31 assessed by the Property Tax Administrator under section 77-802.

1           (4) For tax years after ~~prior to~~ tax year 2024 ~~2020~~, the Property  
2 Tax Administrator shall multiply the value of the tangible personal  
3 property of each public service entity by the compensating exemption  
4 factor calculated in section 77-1238.

5           **Sec. 4.** Section 77-1238, Revised Statutes Cumulative Supplement,  
6 2024, is amended to read:

7           77-1238 (1) For tax years after ~~prior to~~ tax year 2024 ~~2020~~, every  
8 person who is required to list his or her taxable tangible personal  
9 property as defined in section 77-105, as required under section 77-1229,  
10 shall receive an exemption from taxation for the first ten thousand  
11 dollars of valuation of his or her tangible personal property in each tax  
12 district as defined in section 77-127 in which a personal property return  
13 is required to be filed. Failure to report tangible personal property on  
14 the personal property return required by section 77-1229 shall result in  
15 a forfeiture of the exemption for any tangible personal property not  
16 timely reported for that year.

17           (2) For tax years after ~~prior to~~ tax year 2024 ~~2020~~, the Property  
18 Tax Administrator shall reduce the value of the tangible personal  
19 property owned by each railroad, car line company, public service entity,  
20 and air carrier by a compensating exemption factor to reflect the  
21 exemption allowed in subsection (1) of this section for all other  
22 personal property taxpayers. The compensating exemption factor is  
23 calculated by multiplying the value of the tangible personal property of  
24 the railroad, car line company, public service entity, or air carrier by  
25 a fraction, the numerator of which is the total amount of locally  
26 assessed tangible personal property that is actually subjected to  
27 property tax after the exemption allowed in subsection (1) of this  
28 section, and the denominator of which is the net book value of locally  
29 assessed tangible personal property prior to the exemptions allowed in  
30 subsection (1) of this section.

31           **Sec. 5.** Section 77-1239, Revised Statutes Cumulative Supplement,

1 2024, is amended to read:

2 77-1239 (1) For tax years after ~~prior to~~ tax year 2024 ~~2020~~,  
3 reimbursement to taxing subdivisions for tax revenue that will be lost  
4 because of the personal property tax exemptions allowed in subsection (1)  
5 of section 77-1238 shall be as provided in this subsection. The county  
6 assessor and county treasurer shall, on or before November 30 of each  
7 year, certify to the Tax Commissioner, on forms prescribed by the Tax  
8 Commissioner, the total tax revenue that will be lost to all taxing  
9 subdivisions within his or her county from taxes levied and assessed in  
10 that year because of the personal property tax exemptions allowed in  
11 subsection (1) of section 77-1238. The county assessor and county  
12 treasurer may amend the certification to show any change or correction in  
13 the total tax revenue that will be lost until May 30 of the next  
14 succeeding year. The Tax Commissioner shall, on or before January 1 next  
15 following the certification, notify the Director of Administrative  
16 Services of the amount so certified to be reimbursed by the state.  
17 Reimbursement of the tax revenue lost shall be made to each county  
18 according to the certification and shall be distributed in two  
19 approximately equal installments on the last business day of February and  
20 the last business day of June. The State Treasurer shall, on the business  
21 day preceding the last business day of February and the last business day  
22 of June, notify the Director of Administrative Services of the amount of  
23 funds available in the General Fund to pay the reimbursement. The  
24 Director of Administrative Services shall, on the last business day of  
25 February and the last business day of June, draw warrants against funds  
26 appropriated. Out of the amount received, the county treasurer shall  
27 distribute to each of the taxing subdivisions within his or her county  
28 the full tax revenue lost by each subdivision, except that one percent of  
29 such amount shall be deposited in the county general fund.

30 (2) For tax years after ~~prior to~~ tax year 2024 ~~2020~~, reimbursement  
31 to taxing subdivisions for tax revenue that will be lost because of the

1 compensating exemption factor in subsection (2) of section 77-1238 shall  
2 be as provided in this subsection. The Property Tax Administrator shall  
3 establish the average tax rate that will be used for purposes of  
4 reimbursing taxing subdivisions pursuant to this subsection. The average  
5 tax rate shall be equal to the total property taxes levied in the state  
6 divided by the total taxable value of all taxable property in the state  
7 as certified pursuant to section 77-1613.01. The total valuation that  
8 will be lost to all taxing subdivisions within each county because of the  
9 compensating exemption factor in subsection (2) of section 77-1238,  
10 multiplied by the average tax rate calculated pursuant to this  
11 subsection, shall be the tax revenue to be reimbursed to the taxing  
12 subdivisions by the state. Reimbursement of the tax revenue lost for  
13 public service entities shall be made to each county according to the  
14 certification and shall be distributed among the taxing subdivisions  
15 within each county in the same proportion as all public service entity  
16 taxes levied by the taxing subdivisions. Reimbursement of the tax revenue  
17 lost for railroads shall be made to each county according to the  
18 certification and shall be distributed among the taxing subdivisions  
19 within each county in the same proportion as all railroad taxes levied by  
20 taxing subdivisions. Reimbursement of the tax revenue lost for car line  
21 companies shall be distributed in the same manner as the taxes collected  
22 pursuant to section 77-684. Reimbursement of the tax revenue lost for air  
23 carriers shall be distributed in the same manner as the taxes collected  
24 pursuant to section 77-1250.

25 (3) Each taxing subdivision shall, in preparing its annual or  
26 biennial budget, take into account the amounts to be received under this  
27 section.

28 **Sec. 6.** Section 77-1248, Revised Statutes Cumulative Supplement,  
29 2024, is amended to read:

30 77-1248 (1) The Property Tax Administrator shall ascertain from the  
31 reports made and from any other information obtained by him or her the

1 taxable value of the flight equipment of air carriers and the proportion  
2 allocated to this state for the purposes of taxation as provided in  
3 section 77-1245.

4 (2)(a) In determining the taxable value of the flight equipment of  
5 air carriers pursuant to subsection (1) of this section, the Property Tax  
6 Administrator shall determine the following ratios:

7 (i) The ratio of the taxable value of all commercial and industrial  
8 depreciable tangible personal property in the state actually subjected to  
9 property tax to the market value of all commercial and industrial  
10 depreciable tangible personal property in the state; and

11 (ii) The ratio of the taxable value of flight equipment of air  
12 carriers to the market value of flight equipment of air carriers.

13 (b) If the ratio of the taxable value of flight equipment of air  
14 carriers exceeds the ratio of the taxable value of commercial and  
15 industrial depreciable tangible personal property by more than five  
16 percent, the Property Tax Administrator may adjust the value of such  
17 flight equipment of air carriers to the percentage of the taxable  
18 commercial and industrial depreciable tangible personal property pursuant  
19 to federal law applicable to air carrier transportation property or  
20 Nebraska federal court decisions applicable thereto.

21 (c) For purposes of this subsection, commercial and industrial  
22 depreciable tangible personal property means all personal property which  
23 is devoted to commercial or industrial use other than flight equipment of  
24 air carriers.

25 (3) For tax years after ~~prior to~~ tax year 2024 ~~2020~~, the Property  
26 Tax Administrator shall multiply the valuation of each air carrier by the  
27 compensating exemption factor calculated in section 77-1238.

28 **Sec. 7.** Section 77-1514, Revised Statutes Cumulative Supplement,  
29 2024, is amended to read:

30 77-1514 (1) The county assessor shall prepare an abstract of the  
31 property assessment rolls of locally assessed real property of his or her

1 county on forms prescribed and furnished by the Tax Commissioner. The  
2 county assessor shall file the abstract with the Property Tax  
3 Administrator on or before March 19, except beginning January 1, 2014, in  
4 any county with a population of at least one hundred fifty thousand  
5 inhabitants according to the most recent federal decennial census, the  
6 real property abstract shall be filed on or before March 25. The abstract  
7 shall show the taxable value of real property in the county as determined  
8 by the county assessor and any other information as required by the  
9 Property Tax Administrator. The Property Tax Administrator, upon written  
10 request from the county assessor, may for good cause shown extend the  
11 final filing due date for the abstract and the statutory deadlines  
12 provided in section 77-5027. The Property Tax Administrator may extend  
13 the statutory deadline in section 77-5028 for a county if the deadline is  
14 extended for that county. Beginning January 1, 2014, in any county with a  
15 population of at least one hundred fifty thousand inhabitants according  
16 to the most recent federal decennial census, the county assessor shall  
17 request an extension of the final filing due date by March 22.

18 (2) For tax years after ~~prior to~~ tax year 2024 ~~2020~~, the county  
19 assessor shall prepare an abstract of the property assessment rolls of  
20 locally assessed personal property of his or her county on forms  
21 prescribed and furnished by the Tax Commissioner. The county assessor  
22 shall electronically file the abstract with the Property Tax  
23 Administrator on or before July 20.

24 **Sec. 8.** Original sections 77-202, 77-693, 77-801, 77-1238, 77-1239,  
25 77-1248, and 77-1514, Revised Statutes Cumulative Supplement, 2024, are  
26 repealed.