

**NEBRASKA TAXPAYERS FOR FREEDOM ISSUE PAPER:**

**ANALYSIS OF PROPERTY TAX-RELATED & OTHER RELEVANT TAX BILLS IN THE LEGISLATURE.**

**BACKGROUND.** Several state senators have introduced bills to alleviate our local property taxes or property valuations. The Governor has offered a preliminary plan that, as currently written, probably will not offer Nebraskans actual property tax/valuation relief. NTF has analyzed and commented on these bills and encourages NTF members to lobby their respective state senators to support good tax bills and oppose bad ones listed below. You may read these bills by accessing <https://nebraskalegislature.gov>. Taxpayers can count on stiff resistance to relief legislation from local taxing authorities and leftist state senators and their allied leftwing organizations that wish to retain high tax levels to fund and expand their favorite social and welfare programs. See our analysis below and lobby for property and other tax relief:

**GOOD BILLS/RESOLUTIONS.**

**LR 285CA: McDonnell.** That the Legislature can define residential property as a separate and distinct class of property for taxation and may establish a different method of taxing such property, including a method that limits the growth of valuations placed on residential property. GOOD RESOLUTION/ REVENUE COMM.

**LB 853: Jacobson.** To increase homestead exemption allowances for military veterans. GOOD BILL/ REVENUE COMM.

**LB 877: Holdcroft.** To guarantee ag or horticultural property valuation to holdings adjacent to urban areas. GOOD BILL/ REVENUE COMM.

**LB 878: Holdcroft.** For a joint entity created on or after the effective date of this bill that includes a Nebraska school district or an educational service unit, such joint entity cannot issue bonds until the question of issuing such bonds has been submitted to the legal voters of each Nebraska school district or educational service unit that is part of the joint entity at an election and within each such school district or educational service unit, with a majority of the legal electors voting in favor of issuing the bonds. An election for purposes of approving the issuance of bonds, a property tax levy, or exceeding a property tax levy limitation by a school district must comply. GOOD BILL/ EDUCATION COMM.

**LB 988: Linehan.** To prohibit special local elections from passing bond issues or tax levy limit override issues, except for emergencies. Such measures must require a vote at a primary or general election. Many voters are unaware of special elections. GOOD BILL/ GOVERNMENT COMM.

**LB 1063: Halloran.** Whenever a school board builds a school building or an addition or additions and improvements to an existing school property or purchases equipment for such schoolhouse, school buildings, or school property in a school district, the school board must submit to the people of the school district at the next general election or special election a proposition to vote approval of a proposed building fund expenditure for such purpose over \$250,000. GOOD BILL/ EDUCATION COMM.

**LB 1067: Clements.** To decrease the state inheritance tax rate until elimination on Jan. 1, 2028. GOOD BILL/ REVENUE COMM.

**LB 1151: Dover.** Regarding homestead exemptions, occupying means to reside on a property with the intention of maintaining the property as the owner's primary residence. A departure from the property for reasons of health or legal duty would not disqualify the owner of the property from receiving an exemption, if the owner demonstrates an intention to return to the property. GOOD BILL/ REVENUE COMM.

**LB 1199: Moser.** To eliminate an administrative fee imposed by the state Dept. of Natural Resources. GOOD BILL/ NATURAL RESOURCES COMM.

**LB 1241: Von Gillern.** To require local property taxing authorities to lower their tax levy to match the increase in the valuation for such subdivision. GOOD BILL/ REVENUE COMM.

**LB 1305: Hansen.** To prohibit state income taxes on the purchase, sale, or exchange of gold or silver bullion. GOOD BILL/ REVENUE COMM.

**LB 1309: Linehan.** A state income tax deduction for the amount paid during the taxable year for medical care of the taxpayer, his or her spouse, or his or her dependent, if such expenses not reimbursed by insurance or otherwise and not already deducted in determining the taxpayer's federal adjusted gross income. GOOD BILL/ REVENUE COMM.

**LB 1316: Linehan.** To repeal the 2023 legislation that allowed school boards to override a property tax lid by 70% or by 60% popular vote. GOOD BILL/ REVENUE COMM.

**LB 1317: Linehan.** Statement that property taxes are too high (content to be added by Governor). GOOD BILL/ REVENUE COMM.

**LB 1342: Wayne.** To exempt electricity and natural gas utility bills from sales tax. GOOD BILL/ REVENUE COMM.

**LB 1359: McDonnell.** That Omaha cannot issue bonds without a vote of the registered voters for a bond or series of bonds for a particular project in excess of \$80 million. GOOD BILL/ URBAN AFFAIRS COMM.

**LB 1361: McDonnell.** Homesteads of owners who qualify for a homestead exemption and who have resided in their homes for 10 years would be assessed for taxation the same as other property, except that such homesteads will become eligible to receive an exemption as follows: For purposes of school district taxes only, the homestead of a qualified owner will have \$0 valuation. GOOD BILL/ REVENUE COMM.

**LB 1362: McDonnell.** To restrict the increase in valuation for residential property to 5% annually. GOOD BILL/ REVENUE COMM.

**LB 1397: Murman.** That agricultural and horticultural land taxed for such purposes does not include land used for commercial purposes that are not agricultural or horticultural purposes, such as land used for a solar farm or wind farm. GOOD BILL/ REVENUE COMM.

**LB 1403: Linehan.** To use tax credits under the Opportunity Scholarships Act to pay for any educational expense instead of only for tuition and fees. GOOD BILL/ REVENUE COMM.

### **BAD BILLS.**

**LB 924: McKinney.** To give automatic homestead property tax exemptions to homeowners in only poor neighborhoods. BAD BILL/ REVENUE COMM.

**LB 949: Linehan.** Regarding county valuation assessment, inspection of real property would not require a physical inspection and may be completed remotely via the Internet or other electronic means. The bill, unfortunately, would require county assessors to assess all real property annually, causing added expense in populous counties. BAD BILL/ REVENUE COMM.

**LB 1012: Walz.** To allow public school districts to raise property taxes to fund school safety infrastructure. BAD BILL/ EDUCATION COMM.

**LB 1108: Dorn.** To increase from 50c to \$1 the fee for each vehicle registration issued to fund the Nebraska Emergency Medical System Operations Fund. BAD BILL/ TRANSPORTATION COMM.

**LB 1114: Bostar.** To establish tax credits for individuals who donate cash or other assets to “community organizations.” The credits would total 15% of an individual donation, with up to \$5 million in credits each year. BAD BILL/ REVENUE COMM.

**LB 1137: McKinney.** To allow all NE municipalities to raise the property tax to pay for public safety. BAD BILL/ REVENUE COMM.

**LB 1183: Bostar.** To require that the county board appoint county assessors instead of voters electing them. BAD BILL/ REVENUE COMM.

**LB 1216: Bostar.** To exempt public safety expenditures from local government base budget limitations. BAD BILL/ REVENUE COMM.

**LB 1217: Bostar.** To offer property tax exemptions to nursing homes, assisted living facilities, and student housing residences. To lower property valuations on subsidized housing units. BAD BILL/ REVENUE COMM.

**LB 1308: Von Gillern.** To impose a state sales tax on accounting services. BAD BILL/ REVENUE COMM.

**LB 1311: Meyer.** To impose a state sales tax on storage, moving, and pet services. BAD BILL/ REVENUE COMM.

**LB 1308: Von Gillern.** To impose a state sales tax on accounting services. BAD BILL/ REVENUE COMM.

**LB 1315: Linehan.** To raise the state sales tax from 5c per dollar to 6.5c per dollar. BAD BILL/ REVENUE COMM.

**LB 1345: Wayne.** To impose a state sales tax on business legal services. BAD BILL/ REVENUE COMM.

**LB 1346: Vargas.** To exempt taxpayer subsidized housing from property taxes. BAD BILL/ REVENUE COMM.

**LB 1354: Albrecht.** To impose a 7.5% sales tax on companies whose gross advertising budgets exceed \$1 billion. BAD BILL/ REVENUE COMM.

**LB 1379: Dover.** To raise the real estate documentary stamp tax from \$2.25 per \$1,000 of value to \$2.50. BAD BILL/ REVENUE COMM.

**LB 1414: Linehan.** The Governor’s tax “relief” plan that would raise the sales tax in order to provide additional state aid to local governments and place a Swiss Cheese lid on local budgets that would allow local subdivisions to evade the lid and continue to raise our property taxes. BAD BILL/ REVENUE COMM.

**TAKE ACTION NOW.** The preliminary Pille property tax relief bill, **LB 1414**, will not bring comprehensive property tax relief to urban and rural Nebraskans. In all probability, Nebraskans would pay higher sales *and* property taxes. Liberal senators and their toadies will use every strategy to thwart tax relief. Therefore, use the content above to lobby your state senator to pass needed legislation for immediate tax relief and oppose efforts to add to our tax burden. Email [netaxpayers@gmail.com](mailto:netaxpayers@gmail.com) for state senator contact information and to join our *NTF Legislature Watch Project*. Research, documentation, and analysis for this issue paper done by **Nebraska Taxpayers for Freedom**. This material copyrighted by Nebraska Taxpayers for Freedom, with express prior permission granted for its use by other groups in the *NE Conservative Coalition Network*. 1-24. C