

Real Property Assessment

Overview

Real property must be valued uniformly and proportionately in Nebraska. All property in Nebraska is subject to property tax, unless an exemption is mandated or permitted by the Nebraska Constitution or by legislation. Real property is assessed each year as of January 1, at 12:01 a.m., and is valued at 100% of actual value; except agricultural or horticultural land, which is valued at 75% of actual value.

This guidance document is advisory in nature but is binding on the Nebraska Department of Revenue (Department) until amended. A guidance document does not include internal procedural documents that only affect the internal operations of the Department and does not impose additional requirements or penalties on regulated parties or include confidential information or rules and regulations made in accordance with the Administrative Procedure Act. If you believe that this guidance document imposes additional requirements or penalties on regulated parties, you may request a review of the document.



This guidance document may change with updated information or added examples. The Department recommends you do not print this document. Instead, sign up for the subscription service at revenue.nebraska.gov to get updates on your topics of interest.

Terms

Actual Value. The actual value of a parcel is the most probable price (market value), expressed in terms of money that a property will bring if offered for sale in the open market (or in an arm's-length transaction). The sale is between a willing buyer and a willing seller, both of whom know the uses the property is adapted for, and for which it is capable of being used.

Agricultural or Horticultural Land. Agricultural or horticultural land is land that is primarily used for agricultural or horticultural purposes. This may include wasteland lying within, or adjacent to, the agricultural or horticultural land if there is common ownership or management of the parcels. Agricultural or horticultural land does not include buildings or enclosed structures located on the parcel.

Agricultural or Horticultural Purposes. Agricultural or horticultural purposes means used for the commercial production of any plant or animal product in a raw or unprocessed state via agriculture, aquaculture, or horticulture. Agricultural or horticultural purposes also include the following uses of land:

- ❖ Land retained or protected for future agricultural or horticultural purposes under a conservation easement as provided in the Conservation and Preservation Easements Act, except when the parcel (or portion of it) is being used for purposes other than agricultural or horticultural; or
- ❖ Land enrolled in a federal or state program in which payments are received for removing the land from agricultural or horticultural production.

Assessment. Assessment is the act of listing the description of all real property, determining the taxable value, and placing it on the assessment roll.

Assessment Roll. Assessment roll is the complete and verified list of the assessments for all real property in a county.

Buildings. Buildings are structures designed for habitation, shelter, storage, trade, manufacture, religion, business, education, etc. A building includes a structure or edifice enclosing a space within its walls, and usually, but not necessarily, covered with a roof.

Equalization. Equalization is the term commonly used for the requirement contained in the Nebraska Constitution that real property must be valued uniformly and proportionately. Equalization is the process by which the valuations of similar or comparable properties are reviewed to assure that equivalent amenities receive equivalent consideration and treatment in the assessment process.

Farm home site. Farm home site means land contiguous to a farm site which includes an inhabitable residence and located outside of urban areas or platted and zoned subdivisions.

Farm site. Farm site means land contiguous to land actively devoted to agriculture, which includes improvements that are agricultural and horticultural in nature.

Fixtures. Fixtures include any item of property that is:

- ❖ Annexed or physically attached to or incorporated into real property;
- ❖ Applied or adapted to the use or purpose of real property; and
- ❖ Intended to be annexed to real property.

Fixtures do not include trade fixtures. Examples of fixtures are items which are common to the maintenance and operation of structures such as central air conditioning/heating system, common lighting, and plumbing.

Parcel. Parcel means a tract of land under the same ownership and in the same tax district and section. Parcel can also mean an improvement on lease land (IOLL); or several lots in the same block, subdivision, and tax district owned by the same person; or two or more vacant lots in the same subdivision and the same tax district held for sale or resale, if the owner has elected to have the lots treated as one parcel through annual application with the county assessor. A parcel cannot contain more than one section.

Real Property. Real property includes all lands, buildings, fixtures (except trade fixtures), improvements, improvements on leased land, cabin trailers, mobile homes, similar property, and mineral interests, including all privileges pertaining to the real property.

Valuation. Valuation is the act or process of estimating value.

Assessment of Real Property

All real property in Nebraska is assessed each year by the county assessor as of January 1, at 12:01 a.m.

All real property is valued at 100% of its actual value; the exception is agricultural or horticultural land, which is valued at 75% of actual value. Agricultural and horticultural land receiving special valuation is assessed at 75% of its special value which is the uninfluenced value of the land for agricultural and horticultural purposes. Farm site land, farm home site, and buildings or enclosed structures located on an agricultural or horticultural parcel are valued at 100% of actual value. Professionally accepted mass appraisal methods are used to arrive at a determination of actual value, including, but not limited to: the sales comparison approach; the income approach; and the cost approach.

The county assessor is responsible for assessing all real property in the county, except for the operating real property of railroads and public service entities. The Property Tax Administrator is responsible for valuing the operating real property of railroads and public service entities.

Annual Updates. Between January 1 and March 19 of each year (or March 25 for counties with a population of more than 150,000), the county assessor updates and revises the assessment roll. The Tax Equalization and Review Commission (Commission, also known as TERC) is responsible for equalizing the assessed values of all real property each year. The Commission has the authority to increase or decrease the value of a class or subclass of property for the purpose of achieving equalization. After March 19 (or March 25 for counties with a population of more than 150,000), and on or before June 1, the county assessor implements any adjustments to the assessment roll as ordered by the Commission.

On or before June 1, the county assessor must send notices of valuation change by first class mail to the owner of record (as of May 20). This notice is sent to every owner of record whose assessed valuation had a change in value from the previous year. Failure of a property owner to receive the notice, does not nullify the change in valuation.

Omitted Property. The county assessor must notify the county board of equalization (county board, also known as CBOE) of any real property that was not properly reported to the assessor. The county board sends written notice of the assessed value to the owner of record at the last known address. Any real property receiving a notice of valuation change may be protested within 30 days of the notice being sent.

Clerical Error. The county assessor must notify the CBOE of clerical errors that result in a change of assessed value.

Undervalued or Overvalued Property. The county assessor has from after March 19 until July 25 of each year to report to the county board any real property that was undervalued or overvalued and request that the county board send a notice of valuation change. Any real property receiving a notice of valuation change may be protested within 30 days of the notice being sent.

If failure to send the notice of valuation change prevented the owner (or applicant if different from the owner) from timely filing a protest or appeal, the owner or party responsible for paying the property taxes has the right to petition the Commission on or before December 31 of the year the notice should have been sent.

Many counties in Nebraska have the current-year assessed valuations of real property available on the county's website. Counties with online data can be accessed at revenue.nebraska.gov/PAD/counties/counties.html.

Improvements on Leased Land (IOLL)

Improvements on leased land are real property and may be assessed and taxed separately to the owner of the IOLL. Before March 1, either the owner of the land or the owner of the improvements may file the [Improvements on Leased Land Assessment Application, Form 402](#), with the county assessor for a separate assessment of the IOLL. For improvements on leased public lands, [Improvements on Leased Public Land Assessment Application, Form 402P](#), must be filed.

Improvements Made to Real Property

Property owners must report to the county assessor, on or before December 31 each year, any improvements of \$2,500 or more, made to real property on an [Improvement Information Statement](#). A building permit may be substituted for an information statement if it contains the necessary information and a copy is provided to the county assessor.

Real Property Equalization

The Commission meets in April each year to equalize the assessed value of all real property in Nebraska. This is commonly referred to as "statewide equalization." During statewide equalization, the Commission may increase or decrease the value of a class or subclass of real property in any county or taxing jurisdiction to achieve equalization in all counties. Following statewide equalization, and on or before June 6, the county assessor publishes the county assessment ratios determined by the Commission.

The county board of equalization may petition the Commission, on or before July 26, to further consider an adjustment to a class or subclass of real property within the county.

Example 1. If similar parcels are valued at 100% of market value, based on data available to the county assessor, the parcels are “equalized,” even if the assessed valuations are not the same. This recognizes that a variety of market characteristics, such as location, cause similar properties to have different market values, based on the actions of buyers and sellers.

Example 2. Agricultural or horticultural land is required to be valued at 75% of market value. If the data available to the county assessor indicates that the land has a market value of \$1,000 per acre for parcels in one part of the county and \$500 per acre for parcels in another part of the county, the assessed value for these parcels would be \$750 per acre and \$375 per acre, respectively. Although not valued at the same amount, the land is considered equalized at 75% of market value.

Valuation Protests

On or before June 1 of each year, county assessors will send a notice of valuation change to property owners whose parcels changed in assessed value from the prior year. Property owners who are not satisfied with the assessed value of their real property may file a protest with the county clerk on or before June 30. When June 30 falls on a Saturday, Sunday, or legal holiday, the protest will be considered timely if filed on the next business day. If a protest is not timely filed, it will automatically be dismissed.

If a protest is sent to the county board through the U.S. mail, the protest is considered filed on the date of the postmark. If a protest is sent through the U.S. mail using either registered or certified mail, the date of registration or certification will be considered the postmark date.

The protest must be signed by the protester, contain a description of the property adequate to identify the property, and a written statement of the reasons why the requested change in assessment should be made. Failure to state the reasons for the protest, or failure to provide a description of the property, will be cause for dismissal of the protest by the county board.

The protest must indicate whether the person signing the protest is the owner of the property or a person authorized to protest on behalf of the owner, and must provide the authorization. To file a protest on a parcel that is not owned by the protestor, the protestor must be a taxpayer in the county and must be able to show that the value of the protested parcel is not equalized within the same class or subclass of real property. The taxpayer must sign the protest, include a description of the property adequate to identify the property, and provide a statement of reason or reasons why the requested change in assessment should be made. If the person filing the protest is not the owner or authorized to protest on behalf of the owner, the county clerk must mail a copy of the protest to the owner. Property owners have a right to have their real property valued at the same relative percentage of market value.

Example 3. The county assessor valued parcel X at \$50,000 and the protestor’s parcel at \$100,000. The market value, based upon data available for both of these parcels, is \$100,000. Parcel X is being valued at 50% of market value, while the protestor’s parcel is being valued at 100% of market value. Without further facts, this may be an equalization issue.

County Board of Equalization Review of Protests

The county board of equalization has the duty to equalize the valuation of individual parcels of real property in the county. On or after June 1 and on or before July 25, the county board reviews and decides the filed protests. The county board in a county with a population of more than 100,000 inhabitants may adopt a resolution to extend the hearing date for the current year to August 10. The resolution must be adopted by the county board before July 25. When July 25 or August 10 falls on a Saturday, Sunday, or legal holiday, the county board must meet on the previous business day. The county board may appoint referees to hear the protests, but the county board makes the final determination. Hearings cannot be held before a single commissioner or supervisor. If the county board determines that the real property under appeal is undervalued, the county board may raise the taxable value without giving the property owner any notice of valuation change.

On or before August 2, or on or before August 18 in a county that has adopted a resolution to extend the deadline for hearing protests, the county clerk will notify the protestor of the action taken by the county board, within seven days after the county board's final decision. The notice must state that a report of the county board's decision is available in the county assessor's office and a copy of the report may be used to complete an appeal to the Commission.

Appeal Process

If a property owner is not satisfied with the decision of the county board, an appeal may be filed with the Commission on or before August 24, or on or before September 10 if the county has adopted a resolution to extend the time for hearing the protests. An appeal is considered timely filed if postmarked by August 24, or September 10 in a county that has extended the time for hearing the protests.

If a protest is sent to the county board through the U.S. mail, the protest is considered filed on the date of the postmark. If a protest is sent through the U.S. mail using either registered or certified mail, the date of registration or certification will be considered the postmark date.

As mentioned above, if a failure to give notice prevents the property owner from timely filing an appeal with the Commission, the property owner may petition the Commission on or before December 31. Any person aggrieved by a final decision of the Commission may appeal to the Nebraska Court of Appeals.

Taxes on Real Property

The property taxes for a real property parcel are determined by multiplying the taxable value of the parcel by the total consolidated tax rate for the tax district in which the parcel is located. The tax district is comprised of various governing bodies empowered to levy property taxes for services, such as the county government, a school district, a city, etc.

Tax Rates. Each year, on or before October 15, the county board of equalization levies the necessary taxes, within the limits of the law, for operation of all functions of county government, school districts, cities, etc. The tax rates for these various governmental subdivisions are determined by dividing the subdivision's annual tax request by the current total taxable value within its boundaries. The tax rates are expressed per \$100 of taxable value.

On or before November 22, the county assessor transcribes the real property tax list and delivers it to the county treasurer for collection of property taxes. The county assessor is not responsible for establishing tax rates or collection of taxes.

Tax Due Dates. Real property taxes are due December 31. For most counties, the first half of the tax becomes delinquent on the following May 1, and the second half becomes delinquent on September 1. In counties having a population of more than 100,000 (Douglas, Lancaster, and Sarpy), the first half is delinquent on April 1 and the second half becomes delinquent on August 1.

Tax Refund Process

If a payment of tax is the result of a clerical error, honest mistake, or misunderstanding, the taxpayer may make a written claim to the county treasurer for a refund:

- ❖ Within three years of the date the tax was due; or
- ❖ Within 90 days of a correction becoming final.

A clerical error could be the transposition of numbers, a computer malfunction, data entry error, or incorrect ownership. An honest mistake or misunderstanding might include paying taxes on a property the taxpayer no longer owns. The county assessor will verify the error or mistake and submit it to the county board for approval. Upon approval by the county board, the county treasurer will refund or credit that portion of the tax paid as a result of the error or mistake, if the error resulted in an overpayment of taxes.

If the taxpayer claims that a tax is illegal, a written claim for refund must be made to the county treasurer within 30 days after the payment of the tax.

Resource List:

- ❖ [Form 402, Improvements on Leased Land Assessment Application](#)
- ❖ [Form 402P, Improvements on Leased Public Land Assessment Application](#)
- ❖ [Real Property Valuation Protest Information Guide](#)
- ❖ [Nebraska Administrative 350, Chapter 10 – Real Property Regulations, Nebraska Department of Revenue](#)
- ❖ [Nebraska Administrative Code 350, Chapter 14 – Agricultural Land and Horticultural Land Assessment Regulations, Nebraska Department of Revenue](#)
- ❖ [Nebraska Revised Statutes, Chapter 77 Revenue and Taxation; PDF](#)

revenue.nebraska.gov/PAD

402-471-5984, Fax 402-471-5993

Nebraska Department of Revenue, Property Assessment Division

PO Box 98919, Lincoln, Nebraska 68509-8919