Attachment I – Directive 15-4 Examples of tax due and credit computations

Homestead Exemptions

Homestead Example 1. If the parcel's remaining tax due after the homestead exemption is equal to or greater than the credit, the parcel gets all of the credit.

Taxable value before homestead exemption	$75,000
Homestead value exempted	70,000
Taxable value after homestead exemption	5,000
Tax rate	1.95% or .0195

Tax due prior to homestead	$1,462.50	(75,000 x .0195)
Tax exempt due to homestead	$1,365.00	(70,000 x .0195)
Tax due after homestead	$ 97.50	(5,000 x .0195)
Credit	$ 71.16	(75,000 x .0009488 rate of credit)
Remaining tax due	$ **26.34**	(97.50 minus 71.16)

Homestead Example 2. If the credit is larger than the parcel's remaining tax due after the homestead exemption, the parcel only receives the portion of the credit that brings its tax bill to zero.

The "unused" portion of the credit is returned to the State Treasurer.

Taxable value before homestead exemption	$75,000
Homestead value exempted	74,000
Taxable value after homestead exemption	1,000
Tax rate	1.95% or .0195

Tax due prior to homestead	$1,462.50	(75,000 x .0195)
Tax exempt due to homestead	$1,443.00	(74,000 x .0195)
Tax due after homestead	$ 19.50	(1,000 x .0195)
Credit	$ 71.16	(75,000 x .0009488 rate of credit)
Credit used to reduce tax due to 0	$ 19.50	(lesser of 19.50 or 71.16)
Remaining tax due	$ 0.00	(19.50 minus 19.50)
"Unused" credit to State Treasurer	**$ 51.66**	(71.16 minus 19.50)

Tax Increment Financing (TIF)

TIF Example 1.

TIF parcel's base value	$5,000
TIF parcel's excess value	70,000
TIF parcel's total value	75,000
Tax rate	1.95% or .0195

Tax due on total value	$1,462.50	(75,000 x .0195)
Credit for total value	$ 71.16	(75,000 x .0009488 rate of credit)
Remaining tax due for parcel	$1,391.34	(1,462.50 minus 71.16)

Allocation of TIF taxes for base and excess.

Tax due allocated to base value	$97.50	(5,000 x .0195)
Credit allocated to base value	$ 4.74	(5,000 x .0009488 rate of credit)
Remaining tax due on base value	$92.76	(97.50 minus 4.74)

Tax due allocated to excess value	$1,365.00	(70,000 x .0195)
Credit allocated to excess value	$ 66.42	(70,000 x .0009488 rate of credit)
Remaining tax due on excess value	$1,298.58	(1,365.00 minus 66.42)

TIF Example 2. TIF parcel with a homestead exemption and the credit.

If a real property parcel in a redevelopment project is granted a homestead exemption, the homestead exempt value applies to the base value first, and any remaining homestead exempt value applies to the excess value. The division of the homestead tax loss reimbursement must be proportionate to the homestead exempt value determined for the base value and excess value (pursuant to Title 350 Nebraska Administrative Code Chapter 18, REG-18-003.03C).

TIF parcel's base value	$ 5,000
TIF parcel's excess value	70,000
TIF parcel's total value	75,000
Homestead exempt value	74,000
TIF parcel's taxable value after homestead	1,000
Homestead exempt value allocated to base	5,000
Homestead exempt value allocated to excess	69,000
Tax rate	1.95% or .0195

Tax due prior to homestead	$1,462.50 (75,000 x .0195)
Tax exempt due to homestead	$1,443.00 (74,000 x .0195)
Tax due after homestead	$ 19.50 (1,000 x .0195)
Credit	$ 71.16 (75,000 x .0009488 rate of credit)
Credit used to reduce tax to 0	$ 19.50 (lesser of 19.50 or 71.16)
Tax due after homestead & credit	$ 0.00 (19.50 minus 19.50)
"Unused" credit to State Treasurer	**$ 51.66** (71.16 minus 19.50)

Allocation of TIF taxes for base and excess.

Tax due allocated to base value	$ 97.50 (5,000 x .0195)
Homestead tax exempt allocated to base	$ 97.50 (5,000 of 74,000 exempt value x .0195)
Remaining tax due allocated to base	$ 0
Credit allocated to base value	$ 4.74 (5,000 x .0009488 rate of credit)
"Unused" credit to State Treasurer	**$ 4.74**

Tax due allocated to excess value	$1,365.00 (70,000 x .0195)
Homestead tax exempt allocated to excess	$1,345.50 (69,000 of 74,000 exempt value x .0195)
Remaining tax due allocated to excess	$ 19.50
Credit allocated to excess value	$ 66.42 (70,000 x .0009488 rate of credit)
Credit used to reduce tax due to 0	$ 19.50 (lesser of 19.50 or 66.42)
"Unused" credit to State Treasurer	**$ 46.92** (66.42 minus 19.50)

Total "unused" credit to State Treasurer $4.74 + $46.92 = $51.66

Railroads and Public Service Entities

Counties use one of two methods to record the centrally assessed property on the tax list, either by "individual taxing subdivision" or by "consolidated tax district."

Centrally Assessed Example 1. Credit for centrally assessed property recorded on the tax list by "individual taxing subdivision."

First, the "county taxing subdivision's real property value" for the respective railroad branch line or public service entity is determined. This is the real property value eligible for the credit. Then, multiply this countywide value for the company (for example, the railroad branch line or public service entity) by the state's rate of credit to determine the total credit. The total credit is then apportioned to the respective individual taxing subdivisions based upon the company's real property taxes levied computed for each subdivision compared to the total real property taxes levied for the company.

A centrally assessed company's values are certified to the county by the state below.

Subdivision	Total Value	Real Value	Personal Value
County	$11,530,984	$9,431,100	$2,099,884
School District 1	8,593,054	7,322,632	1,630,422
School District 2	2,577,930	2,108,468	469,462
Fire District 1	8,593,054	7,322,632	1,630,422
Fire District 2	2,577,930	2,108,468	469,462
City	347,469	284,192	63,277
Natural Resource District	11,530,984	9,431,100	2,099,884
Educational Service Unit	11,530,984	9,431,100	2,099,884
Community College	11,530,984	9,431,100	2,099,884
Agricultural Society	11,530,984	9,431,100	2,099,884

Determine the taxes levied for the real property portion of the centrally assessed company and the percentage each subdivision is to the total real property taxes.

Subdivision	**Real Property Value**	**Tax Rate per $100 of Value**	**Real Property Taxes by Subdivision**	**Subdivision's Real Property Tax % of Total Real Property Tax**
County	$9,431,100	.340	$32,065.74	24.1497%
School District 1	7,322,632	.900	65,903.69	49.6340%
School District 2	2,108,468	1.05	22,138.91	16.6735%
Fire District 1	7,322,632	.035	2,562.92	1.9302%
Fire District 2	2,108,468	.025	527.12	.3970%
City	284,192	.285	809.95	.6100%
Natural Resource District	9,431,100	.023	2,169.15	1.6337%
Educational Service Unit	9,431,100	.015	1,414.67	1.0654%
Community College	9,431,100	.050	4,715.55	3.5514%
Agricultural Society	9,431,100	.005	471.56	.3551%
Total Real Prop. Taxes			$132,779.26	100.0000%

Company's real property value $9,431,100 x .0009488 rate of credit = $8,948.23, company's total credit for the county.

The company's total credit is then apportioned to each individual taxing subdivision based upon the company's real property taxes levied by each subdivision compared to the total real property taxes levied for the company.

Subdivision	**Subdivision's Real Property Tax % of Total Real Property Tax**	**Credit Apportioned to Each Subdivision**
County	24.1497%	$2,160.98
School District 1	49.6340%	4,441.36
School District 2	16.6735%	1,491.98
Fire District 1	1.9302%	172.72
Fire District 2	.3970%	35.52
City	.6100%	54.58
Natural Resource District	1.6337%	145.19
Educational Service Unit	1.0654%	95.33
Community College	3.5514%	317.79
Agricultural Society	.3551%	31.78
Company's Total Credit	100.0000%	**$8,948.23**

Centrally Assessed Example 2. Credit for centrally assessed property recorded on the tax list by "consolidated taxing district."

Consolidated	Total Value	Real Value	Personal Value
Tax District 1	$8,593,054	$7,322,632	$1,630,422
Tax District 2	2,577,930	2,108,468	469,462
Total Taxable Value	11,530,984	9,431,100	2,099,884

Tax District 1 real property value 7,322,632 x .0009488 rate of credit = $ 6,947.71
Tax District 2 real property value 2,108,468 x .0009488 rate of credit = $ 2,000.52
Company's total credit = $ 8,948.23

Reminder: If a centrally assessed company's value is 100% personal property, with no real property, no credit will be received.

Accelerated Tax on Real Property Parcels (Mobile Homes)

Example 1. Mobile home is sold and the acceleration of tax is done in August 2015.
This scenario involves a mobile home with a 2015 value with the 2015 taxes accelerated or calculated at the 2014 tax rate. **The purpose of the Act is to provide property tax relief for property taxes levied against real property for tax years 2015 and 2016.** Here, the 2015 accelerated real property taxes were collected prior to the certification of the rate of credit on September 15. If the owner of the mobile home desires to receive the 2015 credit for the accelerated 2015 taxes paid, a written claim must be made to the county treasurer, within two years from the date the tax was due, requesting a refund pursuant to § 77-1734.01.

Example 2. Mobile home is sold and the acceleration of tax is done in February 2016.
In this scenario, the mobile home is listed on the 2015 tax list and the 2015 credit should already be reflected for the 2015 taxes due. In February of 2016, this mobile home has a 2016 assessed value with the 2016 taxes being accelerated or calculated at the 2015 tax rate. The 2016 rate of credit will not be determined until September 15, 2016; therefore, a 2016 credit amount cannot be calculated as of February. However, the taxpayer may be informed that after September 15, 2016, a written claim may be made to the county treasurer, within two years from the date the tax was due, requesting a refund pursuant to § 77-1734.01.

Example 3. Mobile home is sold and the acceleration of tax is done in February 2017.
In this scenario, the mobile home is listed on the 2016 tax list and the 2016 credit should already be reflected for the 2016 taxes due. In February of 2017, this mobile home has a 2017 assessed value with the 2017 taxes being accelerated or calculated at the 2016 tax rate. The Act is for property taxes levied against real property for years 2015 and 2016. The 2017 accelerated taxes are not eligible for a credit unless legislative changes are enacted to extend the credit to other tax years.