

Section C — Property Assessment and Homestead Exemptions

Basic Provisions and Tax Base

All property in the State of Nebraska is subject to property tax unless an exemption is mandated or permitted by the Nebraska Constitution art. VIII and enabling legislation is adopted by the Legislature. Federal law may supersede the Nebraska Constitution with regard to taxation of property owned by the federal government or its agencies or instrumentalities. All property in the State of Nebraska, which is subject to taxation, must be valued as of January 1, 12:01 a.m., of each year.

The county assessor is responsible for valuing all real and personal property with the exception of railroads, public service entities, and specific personal property of air carrier and rail car line companies, which are assessed by the Property Tax Administrator. The valuation of real property is determined according to professionally accepted mass appraisal techniques, including but not limited to the following: (1) sales comparison approach; (2) income approach; and (3) cost approach. The valuation of personal property is determined using a statutory method of depreciated values similar to the federal Modified Accelerated Cost Recovery System and 150% declining balance depreciation schedules.

All real property is assessed at or near 100% of actual value, except agricultural and horticultural land which is assessed at or near 75% of actual value. Agricultural and horticultural land receiving special valuation pursuant to Neb. Rev. Stat. § [77-1344](#) is assessed at or near 75% of its special value, which is the value of the land for agricultural and horticultural purposes uninfluenced by other uses. Personal property is assessed at 100% of the net book taxable value as determined by the statutory method.

Permissive exemptions are allowed for certain educational, religious, charitable, and cemetery organizations; and for agricultural and horticultural societies pursuant to Neb. Rev. Stat. § [77-202](#). The organization must file an application for exemption of real and/or personal property. The county assessor will recommend approval or denial to the county board of equalization which will meet to make the final decision regarding the application for exemption.

There is an exemption for business and agricultural inventory, and for certain business personal property belonging to qualifying companies under the Employment and Investment Growth Act or the Nebraska Advantage Act.

Personal property used directly in the generation of electricity using wind as the fuel source is exempt from personal property tax. Wind energy generation facilities pay a nameplate capacity tax in place of personal property tax and the real property is assessed locally by the county assessor.

There is also an exemption for any depreciable tangible personal property used directly in the generation of electricity using solar, biomass, or landfill gas as the fuel source, if such depreciable tangible personal property was installed on or after January 1, 2016, and has a nameplate capacity of one hundred kilowatts or more. These facilities will also pay a nameplate capacity tax in place of the personal property tax.

Any tangible personal property purchased by a person operating a data center located in Nebraska, which is then incorporated into other tangible personal property for subsequent use outside the state by the same person, is exempt from the personal property tax.

Motor vehicles, trailers, and semitrailers required to be registered for operation on the highways of Nebraska are exempt from property taxes, but are subject to motor vehicle taxes and fees in lieu of property taxes.

There is an exemption for certain personal property belonging to qualified beginning farmers, pursuant to Neb. Rev. Stat. § [77-5209.02](#) of the Beginning Farmer Act.

There is an exemption for either a mobile home or motor vehicle of any veteran of the United States Armed Forces who was honorably discharged and has a service-connected disability. See [Exemption Application for Honorably Discharged Disabled Veterans, Form 453](#).

For individuals, the homestead exemption program is designed to provide local property tax relief to qualifying elderly individuals, certain disabled veterans, and certain disabled individuals and their widow(er)s who own and live in the home for which an exemption application is made. The exemption applies to all or part of the property taxes levied against the home, with the State of Nebraska reimbursing counties from general fund revenues for those taxes exempted under the program (see [Homestead Exemption](#)).

The [Real Property Tax Credit Act](#) provides a real property tax credit based on the valuation of each parcel of real property compared to the valuation of all real property in the state. The tax credit amount varies each year depending on appropriation and value, but is approximately \$89.57 per \$100,000 of value.

The [Personal Property Tax Relief Act](#) (Act), beginning in 2016, provides for an exemption of the first \$10,000 of tangible personal property value for each tax district in which a personal property return is filed by a taxpayer. Failure to report tangible personal property on the personal property return results in a forfeiture of the exemption for any personal property not timely reported for that year. The Act provides an exemption factor for centrally assessed taxpayers. It also provides a reimbursement mechanism for any taxes lost by the county and political subdivisions as a result of the exemption.

Between January 1 and March 19 of each year, the county assessor updates and revises the real property assessment roll. Each year between early April and May 15, the Tax Equalization and Review Commission has the authority to adjust the valuation of classes or subclasses of real property in any county in order to achieve equalization of property values. Decisions of the Tax Equalization and Review Commission may be appealed to the Nebraska Court of Appeals.

The county assessor revises the real property assessment rolls for any orders issued by the Tax Equalization and Review Commission and notifies property owners of value increases or decreases by June 1. Individual protests of real property valuations may be made to the county board of equalization. The county board of equalization may adjust the protested value of individual properties. Decisions of the county board of equalization may be appealed to the Tax Equalization and Review Commission.

Personal property is self-reported by the taxpayer on or before May 1. If the county assessor makes changes to the reported valuation, a notice must be sent to the taxpayer. The action may be appealed to the county board of equalization.

On or before August 10, the Tax Equalization and Review Commission must equalize the real property of centrally-assessed railroad and public service companies with the statewide level of assessment. The Property Tax Administrator certifies centrally-assessed values to the counties.

On or before August 20, the county assessor compiles and certifies the total taxable value (real, personal, and centrally-assessed) to each local government taxing subdivision for rate setting purposes.

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 local government taxing subdivisions are determined by dividing the subdivision's annual tax request by the current total taxable value within their boundaries. The tax rates are expressed as \$1 per \$100 of taxable value.

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

On or before November 22, the county assessor transcribes the tax list of taxable real and personal property and delivers it to the county treasurer for collection of property taxes. All real and personal property taxes, including taxes of centrally-assessed railroad and public service companies, are due December 31. The first half of the tax becomes delinquent on the following May 1, and the second half becomes delinquent on September 1; except in Douglas, Lancaster, and Sarpy counties, where the first half becomes delinquent on April 1 and the second half becomes delinquent on August 1.

More information is available at revenue.nebraska.gov/PAD.

Statutory Reference and Description	Actual or Estimated Tax Expenditure Cost (NA = Not Available)
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Exemptions

The taxable value of exempt property (for example, governmental or permissive exempt) is not available. Due to the exempt status of the real property, the assessed value may not have been determined. The county assessor allocates time and resources to establishing the assessed values of taxable properties.

Section 2-4243 Property belonging to the Conservation Corporation.	NA
Section 3-209 Airports and landing fields acquired by a municipality.	NA
Section 3-511 Property belonging to city airport authorities.	NA
Section 3-621 Property belonging to county airport authorities.	NA
Section 3-714 Property belonging to joint airport authorities.	NA
Section 12-506 Property belonging to cemetery associations.	NA
Section 12-517 Burial lots sold by a cemetery association for interment.	NA
Section 14-812 Property belonging to metropolitan cities.	NA
Section 14-1721 Property belonging to municipal parking authorities.	NA
Section 14-1810 Property belonging to metropolitan transit authorities.	NA
Section 15-844 Property belonging to primary class cities.	NA
Section 21-2311 Property belonging to industrial development public corporations.	NA
Section 23-35,117 Property belonging to hospital authorities.	NA
Section 37-301 Property held by the Nebraska Game and Parks Commission.	NA
Section 51-512 Property belonging to public museums.	NA
Section 58-268 Property belonging to the Nebraska Investment Finance Authority.	NA

Section 77-202(1)(a)&(b) Property of Nebraska and its governmental subdivisions.	NA
Section 77-202(1)(c) Property owned by and used exclusively for agricultural and horticultural societies.	NA
Section 77-202(1)(e) Household goods and personal effects when not used for profit.	NA
Section 77-202(2) Increased value of land due to shade or ornamental trees planted along the highway.	NA
Section 77-202(3) Tangible personal property that is not depreciable.	NA
Section 77-202(4) Motor vehicles required to be registered for operation on the highways of Nebraska.	NA
Section 77-202(5) Business and agricultural inventory.	NA
Section 77-202(7) Livestock.	NA
Section 77-202(9) Any depreciable tangible personal property used directly in the generation of electricity using wind as the fuel source.	NA
Section 77-202(10) Any tangible personal property acquired by a person operating as a data center.	NA
Section 77-202.24 A mobile home owned and occupied by a disabled or blind veteran.	NA
Section 77-212 Space provided for supportive medical services to patients in hospitals is exempt from the in-lieu-of payment provided for in § 77-211 .	NA
Sections 77-202(6), 77-4101, 77-4105, 77-5701, and 77-5725 A taxpayer's business may qualify for tax incentives under the Employment and Investment Growth Act and/or the Nebraska Advantage Act based upon certain levels of investment and hiring of employees. If the taxpayer meets the criteria required, then certain personal property of the project may qualify for property tax exemption.	(See Section U)
Sections 77-202(6), 77-5201 through 77-5215 The Beginning Farmer Act provides beginning farmers and livestock producers with personal property exemptions. Beginning farmers and livestock producers must be approved and certified by the Beginning Farmer Board to be eligible for the programs, or exemption of personal property.	NA

Homestead Exemptions

A homestead exemption provides relief from property taxes by exempting all or a portion of the valuation of the homestead from taxation. The State of Nebraska reimburses the counties for the taxes lost due to homestead exemptions. A homestead exemption is available to three categories of homeowners: (1) persons over age 65; (2) certain disabled individuals; or (3) certain totally disabled veterans and their widowers.

More information regarding the homestead exemption program and the property tax relief it provides for qualified homeowners is available at revenue.nebraska.gov/PAD.

The total tax expenditure for the State of Nebraska in 2015 was \$71,588,955.74. One hundred percent was reimbursed to the counties by the State of Nebraska. The table in Section C, [page 6](#) lists the total homestead exemption to each county.

Sections [77-3507](#), [77-3508](#), and [77-3509](#)

For homesteads valued at or below the maximum value as defined in § [77-3505.02](#), a percentage of the exempt amount defined in § [77-3501.01\(1\)](#), for claimants with household income as set out in the Nebraska Homestead Exemption [Information Guide](#) (2014 homestead exemption applications).

Section [77-3501.01](#) Exempt amount, defined:

(1) For purposes of § [77-3507](#), exempt amount means the lesser of (a) the taxable value of the homestead, or (b) 100% of the average assessed value of single-family residential property in the claimant's county of residence as determined in § [77-3506.02](#) or \$40,000, whichever is greater.

(2) For purposes of §§ [77-3508](#) and [77-3509](#), exempt amount means the lesser of (a) the taxable value of the homestead, or (b) 120% of the average assessed value of single-family residential property in the claimant's county of residence as determined in § [77-3506.02](#) or \$50,000, whichever is greater.

Section [77-3505.02](#) Maximum value, defined:

(1) For applicants eligible under § [77-3507](#), 200% of the average assessed value of single family residential property in the claimant's county of residence as determined in § [77-3506.02](#) or \$95,000, whichever is greater.

(2) For applicants eligible under §§ [77-3508](#) and [77-3509](#), 225% of the average assessed value of single-family residential property in the claimant's county of residence as determined in § [77-3506.02](#) or \$110,000, whichever is greater.

Preferential Tax Rates and Valuation

Statutory Reference and Description	Actual Tax Expenditure Cost (NA = Not Available)
Section 77-201(2) Agricultural land and horticultural land is valued at 75% of its actual value.	NA
Section 77-201(3) Agricultural land and horticultural land receiving special valuation is valued at 75% of its special valuation.	NA
Section 77-1344 Land valued for agricultural use where actual value for other use would be higher.	NA
Section 77-1385 Historically significant real property which has received a final certificate of rehabilitation from the State Historic Preservation Officer is valued at its base-year value for eight years after the certificate is issued. In the ninth year after the certificate is issued, the property is valued at the base-year value plus 25% of the difference between the base-year value and the current actual value. In the 10th year after the certificate is issued, the property is valued at the base-year value plus 50% of the difference between the base-year value and the current actual value. In the 11th year after the certificate is issued, the property is valued at the base-year value plus 75% of the difference between the base-year value and the current actual value. In the 12th year after the certificate is issued, the property is valued at the current actual value.	NA

2015 Homestead Tax Loss

Adams	\$1,304,972	Jefferson	\$282,215
Antelope	216,163	Johnson	159,898
Arthur	12,063	Kearney	190,561
Banner	14,278	Keith	443,504
Blaine	5,866	Keya Paha	10,285
Boone	151,004	Kimball	156,666
Box Butte	326,981	Knox	237,958
Boyd	49,219	Lancaster	11,294,870
Brown	111,034	Lincoln	1,704,865
Buffalo	1,788,138	Logan	24,105
Burt	323,760	Loup	11,654
Butler	263,166	Madison	1,225,442
Cass	1,228,964	McPherson	7,906
Cedar	243,137	Merrick	310,876
Chase	136,052	Morrill	179,088
Cherry	179,790	Nance	112,979
Cheyenne	452,680	Nemaha	238,332
Clay	175,543	Nuckolls	121,325
Colfax	289,836	Otoe	746,075
Cuming	284,658	Pawnee	71,407
Custer	396,023	Perkins	63,242
Dakota	568,592	Phelps	365,088
Dawes	341,435	Pierce	260,138
Dawson	785,549	Platte	1,340,040
Deuel	62,917	Polk	161,357
Dixon	159,914	Red Willow	372,731
Dodge	1,768,266	Richardson	300,009
Douglas	19,623,214	Rock	26,184
Dundy	22,428	Saline	492,137
Fillmore	141,478	Sarpy	6,747,914
Franklin	96,304	Saunders	1,289,339
Frontier	85,036	Scotts Bluff	2,113,123
Furnas	115,353	Seward	630,689
Gage	1,202,340	Sheridan	147,021
Garden	61,042	Sherman	120,169
Garfield	107,116	Sioux	15,283
Gosper	108,105	Stanton	192,092
Grant	12,661	Thayer	146,785
Greeley	75,993	Thomas	15,742
Hall	2,730,706	Thurston	80,435
Hamilton	294,696	Valley	208,807
Harlan	120,742	Washington	1,088,760
Hayes	16,312	Wayne	226,089
Hitchcock	78,589	Webster	112,953
Holt	293,206	Wheeler	6,211
Hooker	18,418	York	380,136
Howard	312,731	State Total	\$71,588,955