

LEGISLATURE OF NEBRASKA  
ONE HUNDRED EIGHTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 244**

Introduced by Briese, 41.

Read first time January 10, 2023

Committee:

- 1 A BILL FOR AN ACT relating to the Nebraska Property Tax Incentive Act; to
- 2 amend sections 77-6701 and 77-6702, Revised Statutes Cumulative
- 3 Supplement, 2022; to define and redefine terms; to provide an income
- 4 tax credit for certain property taxes paid; to harmonize provisions;
- 5 and to repeal the original sections.
- 6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-6701, Revised Statutes Cumulative Supplement,  
2 2022, is amended to read:

3 77-6701 Sections 77-6701 to 77-6706 and section 3 of this act shall  
4 be known and may be cited as the Nebraska Property Tax Incentive Act.

5 Sec. 2. Section 77-6702, Revised Statutes Cumulative Supplement,  
6 2022, is amended to read:

7 77-6702 For purposes of the Nebraska Property Tax Incentive Act:

8 (1) Allowable growth percentage means the percentage increase, if  
9 any, in the total assessed value of all real property in the state from  
10 the prior year to the current year, as determined by the department,  
11 except that in no case shall the allowable growth percentage exceed five  
12 percent in any one year;

13 (2) Community college taxes means property taxes levied on real  
14 property in this state by a community college area, excluding any  
15 property taxes levied for bonded indebtedness and any property taxes  
16 levied as a result of an override of limits on property tax levies  
17 approved by voters pursuant to section 77-3444;

18 (3) Department means the Department of Revenue;

19 (4) Eligible taxpayer means any individual, corporation,  
20 partnership, limited liability company, trust, estate, or other entity  
21 that pays general taxes, school district taxes, or community college  
22 taxes during a taxable year;~~and~~

23 (5) General taxes means property taxes levied on real property in  
24 this state by any political subdivision other than a community college  
25 area or a school district or multiple-district school system, excluding  
26 any property taxes levied for bonded indebtedness and any property taxes  
27 levied as a result of an override of limits on property tax levies  
28 approved by voters pursuant to section 77-3444; and

29 (6) (5) School district taxes means property taxes levied on real  
30 property in this state by a school district or multiple-district school  
31 system, excluding any property taxes levied for bonded indebtedness and

1 any property taxes levied as a result of an override of limits on  
2 property tax levies approved by voters pursuant to section 77-3444.

3       Sec. 3. (1) For taxable years beginning or deemed to begin on or  
4 after January 1, 2024, under the Internal Revenue Code of 1986, as  
5 amended, there shall be allowed to each eligible taxpayer a refundable  
6 credit against the income tax imposed by the Nebraska Revenue Act of 1967  
7 or against the franchise tax imposed by sections 77-3801 to 77-3807. The  
8 credit shall be equal to the credit percentage for the taxable year, as  
9 set by the department under subsection (2) of this section, multiplied by  
10 the amount of general taxes paid by the eligible taxpayer during such  
11 taxable year.

12       (2)(a) For taxable years beginning or deemed to begin during  
13 calendar year 2024, the department shall set the credit percentage so  
14 that the total amount of credits for such taxable years shall be two  
15 hundred million dollars; and

16       (b) For taxable years beginning or deemed to begin during calendar  
17 year 2025 and each calendar year thereafter, the department shall set the  
18 credit percentage so that the total amount of credits for such taxable  
19 years shall be the maximum amount of credits allowed in the prior year  
20 increased by the allowable growth percentage.

21       (3) If the general taxes are paid by a corporation having an  
22 election in effect under subchapter S of the Internal Revenue Code, a  
23 partnership, a limited liability company, a trust, or an estate, the  
24 refundable credit shall be claimed by such corporation, partnership,  
25 limited liability company, trust, or estate.

26       (4) For any fiscal year or short year taxpayer, the credit may be  
27 claimed in the first taxable year that begins following the calendar year  
28 for which the credit percentage was determined. The credit shall be taken  
29 for the general taxes paid by the taxpayer during the immediately  
30 preceding calendar year.

31       Sec. 4. Original sections 77-6701 and 77-6702, Revised Statutes

1 Cumulative Supplement, 2022, are repealed.