

LEGISLATURE OF NEBRASKA  
ONE HUNDRED FOURTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 259**

FINAL READING

Introduced by Gloor, 35.

Read first time January 14, 2015

Committee: Revenue

1 A BILL FOR AN ACT relating to revenue and taxation; to amend sections  
2 13-518, 77-693, 77-801, 77-1248, and 77-5209.02, Reissue Revised  
3 Statutes of Nebraska, and sections 77-202 and 77-1514, Revised  
4 Statutes Cumulative Supplement, 2014; to adopt the Personal Property  
5 Tax Relief Act; to provide duties for the Property Tax  
6 Administrator; to provide for and change provisions relating to tax  
7 exemptions; to change provisions relating to taxation of personal  
8 property; to harmonize provisions; to provide a duty for the Revisor  
9 of Statutes; to provide an operative date; and to repeal the  
10 original sections.  
11 Be it enacted by the people of the State of Nebraska,

1           Section 1. Sections 1 to 3 of this act shall be known and may be  
2 cited as the Personal Property Tax Relief Act.

3           Sec. 2. (1) Every person who is required to list his or her taxable  
4 tangible personal property as defined in section 77-105, as required  
5 under section 77-1229, shall receive an exemption from taxation for the  
6 first ten thousand dollars of valuation of his or her tangible personal  
7 property in each tax district as defined in section 77-127 in which a  
8 personal property return is required to be filed. Failure to report  
9 tangible personal property on the personal property return required by  
10 section 77-1229 shall result in a forfeiture of the exemption for any  
11 tangible personal property not timely reported for that year.

12           (2) The Property Tax Administrator shall reduce the value of the  
13 tangible personal property owned by each railroad, car line company,  
14 public service entity, and air carrier by a compensating exemption factor  
15 to reflect the exemption allowed in subsection (1) of this section for  
16 all other personal property taxpayers. The compensating exemption factor  
17 is calculated by multiplying the value of the tangible personal property  
18 of the railroad, car line company, public service entity, or air carrier  
19 by a fraction, the numerator of which is the total amount of locally  
20 assessed tangible personal property that is actually subjected to  
21 property tax after the exemption allowed in subsection (1) of this  
22 section, and the denominator of which is the net book value of locally  
23 assessed tangible personal property prior to the exemptions allowed in  
24 subsection (1) of this section.

25           Sec. 3. (1) Reimbursement to taxing subdivisions for tax revenue  
26 that will be lost because of the personal property tax exemptions allowed  
27 in subsection (1) of section 2 of this act shall be as provided in this  
28 subsection. The county assessor and county treasurer shall, on or before  
29 November 30 of each year, certify to the Tax Commissioner, on forms  
30 prescribed by the Tax Commissioner, the total tax revenue that will be  
31 lost to all taxing subdivisions within his or her county from taxes

1 levied and assessed in that year because of the personal property tax  
2 exemptions allowed in subsection (1) of section 2 of this act. The county  
3 assessor and county treasurer may amend the certification to show any  
4 change or correction in the total tax revenue that will be lost until May  
5 30 of the next succeeding year. The Tax Commissioner shall, on or before  
6 January 1 next following the certification, notify the Director of  
7 Administrative Services of the amount so certified to be reimbursed by  
8 the state. Reimbursement of the tax revenue lost shall be made to each  
9 county according to the certification and shall be distributed in two  
10 approximately equal installments on the last business day of February and  
11 the last business day of June. The State Treasurer shall, on the business  
12 day preceding the last business day of February and the last business day  
13 of June, notify the Director of Administrative Services of the amount of  
14 funds available in the General Fund to pay the reimbursement. The  
15 Director of Administrative Services shall, on the last business day of  
16 February and the last business day of June, draw warrants against funds  
17 appropriated. Out of the amount received, the county treasurer shall  
18 distribute to each of the taxing subdivisions within his or her county  
19 the full tax revenue lost by each subdivision, except that one percent of  
20 such amount shall be deposited in the county general fund.

21 (2) Reimbursement to taxing subdivisions for tax revenue that will  
22 be lost because of the compensating exemption factor in subsection (2) of  
23 section 2 of this act shall be as provided in this subsection. The  
24 Property Tax Administrator shall establish the average tax rate that will  
25 be used for purposes of reimbursing taxing subdivisions pursuant to this  
26 subsection. The average tax rate shall be equal to the total property  
27 taxes levied in the state divided by the total taxable value of all  
28 taxable property in the state as certified pursuant to section  
29 77-1613.01. The Tax Commissioner shall certify, on or before January 30  
30 of each year, to the Director of Administrative Services the total  
31 valuation that will be lost to all taxing subdivisions within each county

1 because of the compensating exemption factor in subsection (2) of section  
2 2 of this act. Such amount, multiplied by the average tax rate calculated  
3 pursuant to this subsection, shall be the tax revenue to be reimbursed to  
4 the taxing subdivisions by the state. Reimbursement of the tax revenue  
5 lost for public service entities shall be made to each county according  
6 to the certification and shall be distributed among the taxing  
7 subdivisions within each county in the same proportion as all public  
8 service entity taxes levied by the taxing subdivisions. Reimbursement of  
9 the tax revenue lost for railroads shall be made to each county according  
10 to the certification and shall be distributed among the taxing  
11 subdivisions within each county in the same proportion as all railroad  
12 taxes levied by taxing subdivisions. Reimbursement of the tax revenue  
13 lost for car line companies shall be distributed in the same manner as  
14 the taxes collected pursuant to section 77-684. Reimbursement of the tax  
15 revenue lost for air carriers shall be distributed in the same manner as  
16 the taxes collected pursuant to section 77-1250.

17 (3) Each taxing subdivision shall, in preparing its annual or  
18 biennial budget, take into account the amounts to be received under this  
19 section.

20 Sec. 4. Section 13-518, Reissue Revised Statutes of Nebraska, is  
21 amended to read:

22 13-518 For purposes of sections 13-518 to 13-522:

23 (1) Allowable growth means (a) for governmental units other than  
24 community colleges, the percentage increase in taxable valuation in  
25 excess of the base limitation established under section 77-3446, if any,  
26 due to improvements to real property as a result of new construction,  
27 additions to existing buildings, any improvements to real property which  
28 increase the value of such property, and any increase in valuation due to  
29 annexation and any personal property valuation over the prior year and  
30 (b) for community colleges, the percentage increase in excess of the base  
31 limitation, if any, in full-time equivalent students from the second year

1 to the first year preceding the year for which the budget is being  
2 determined;

3 (2) Capital improvements means (a) acquisition of real property or  
4 (b) acquisition, construction, or extension of any improvements on real  
5 property;

6 (3) Governing body has the same meaning as in section 13-503;

7 (4) Governmental unit means every political subdivision which has  
8 authority to levy a property tax or authority to request levy authority  
9 under section 77-3443 except sanitary and improvement districts which  
10 have been in existence for five years or less and school districts;

11 (5) Qualified sinking fund means a fund or funds maintained  
12 separately from the general fund to pay for acquisition or replacement of  
13 tangible personal property with a useful life of five years or more which  
14 is to be undertaken in the future but is to be paid for in part or in  
15 total in advance using periodic payments into the fund. The term includes  
16 sinking funds under subdivision (13) of section 35-508 for firefighting  
17 and rescue equipment or apparatus;

18 (6) Restricted funds means (a) property tax, excluding any amounts  
19 refunded to taxpayers, (b) payments in lieu of property taxes, (c) local  
20 option sales taxes, (d) motor vehicle taxes, (e) state aid, (f) transfers  
21 of surpluses from any user fee, permit fee, or regulatory fee if the fee  
22 surplus is transferred to fund a service or function not directly related  
23 to the fee and the costs of the activity funded from the fee, (g) any  
24 funds excluded from restricted funds for the prior year because they were  
25 budgeted for capital improvements but which were not spent and are not  
26 expected to be spent for capital improvements, (h) the tax provided in  
27 sections 77-27,223 to 77-27,227 beginning in the second fiscal year in  
28 which the county will receive a full year of receipts, and (i) any excess  
29 tax collections returned to the county under section 77-1776. Funds  
30 received pursuant to the nameplate capacity tax levied under section  
31 77-6203 for the first five years after a wind energy generation facility

1 has been commissioned are nonrestricted funds; and

2 (7) State aid means:

3 (a) For all governmental units, state aid paid pursuant to sections  
4 60-3,202 and 77-3523 and reimbursement provided pursuant to section 3 of  
5 this act;

6 (b) For municipalities, state aid to municipalities paid pursuant to  
7 sections 18-2605, 39-2501 to 39-2520, 60-3,190, and 77-27,139.04 and  
8 insurance premium tax paid to municipalities;

9 (c) For counties, state aid to counties paid pursuant to sections  
10 39-2501 to 39-2520 and 60-3,184 to 60-3,190, insurance premium tax paid  
11 to counties, and reimbursements to counties from funds appropriated  
12 pursuant to section 29-3933;

13 (d) For community colleges, (i) for fiscal years 2010-11, 2011-12,  
14 and 2012-13, state aid to community colleges paid pursuant to section  
15 90-517 and (ii) for fiscal year 2013-14 and each fiscal year thereafter,  
16 state aid to community colleges paid pursuant to the Community College  
17 Aid Act;

18 (e) For educational service units, state aid appropriated under  
19 sections 79-1241.01 and 79-1241.03; and

20 (f) For local public health departments as defined in section  
21 71-1626, state aid as distributed under section 71-1628.08.

22 Sec. 5. Section 77-202, Revised Statutes Cumulative Supplement,  
23 2014, is amended to read:

24 77-202 (1) The following property shall be exempt from property  
25 taxes:

26 (a) Property of the state and its governmental subdivisions to the  
27 extent used or being developed for use by the state or governmental  
28 subdivision for a public purpose. For purposes of this subdivision:

29 (i) Property of the state and its governmental subdivisions means  
30 (A) property held in fee title by the state or a governmental subdivision  
31 or (B) property beneficially owned by the state or a governmental

1 subdivision in that it is used for a public purpose and is being acquired  
2 under a lease-purchase agreement, financing lease, or other instrument  
3 which provides for transfer of legal title to the property to the state  
4 or a governmental subdivision upon payment of all amounts due thereunder.  
5 If the property to be beneficially owned by a governmental subdivision  
6 has a total acquisition cost that exceeds the threshold amount or will be  
7 used as the site of a public building with a total estimated construction  
8 cost that exceeds the threshold amount, then such property shall qualify  
9 for an exemption under this section only if the question of acquiring  
10 such property or constructing such public building has been submitted at  
11 a primary, general, or special election held within the governmental  
12 subdivision and has been approved by the voters of the governmental  
13 subdivision. For purposes of this subdivision, threshold amount means the  
14 greater of fifty thousand dollars or six-tenths of one percent of the  
15 total actual value of real and personal property of the governmental  
16 subdivision that will beneficially own the property as of the end of the  
17 governmental subdivision's prior fiscal year; and

18 (ii) Public purpose means use of the property (A) to provide public  
19 services with or without cost to the recipient, including the general  
20 operation of government, public education, public safety, transportation,  
21 public works, civil and criminal justice, public health and welfare,  
22 developments by a public housing authority, parks, culture, recreation,  
23 community development, and cemetery purposes, or (B) to carry out the  
24 duties and responsibilities conferred by law with or without  
25 consideration. Public purpose does not include leasing of property to a  
26 private party unless the lease of the property is at fair market value  
27 for a public purpose. Leases of property by a public housing authority to  
28 low-income individuals as a place of residence are for the authority's  
29 public purpose;

30 (b) Unleased property of the state or its governmental subdivisions  
31 which is not being used or developed for use for a public purpose but

1 upon which a payment in lieu of taxes is paid for public safety, rescue,  
2 and emergency services and road or street construction or maintenance  
3 services to all governmental units providing such services to the  
4 property. Except as provided in Article VIII, section 11, of the  
5 Constitution of Nebraska, the payment in lieu of taxes shall be based on  
6 the proportionate share of the cost of providing public safety, rescue,  
7 or emergency services and road or street construction or maintenance  
8 services unless a general policy is adopted by the governing body of the  
9 governmental subdivision providing such services which provides for a  
10 different method of determining the amount of the payment in lieu of  
11 taxes. The governing body may adopt a general policy by ordinance or  
12 resolution for determining the amount of payment in lieu of taxes by  
13 majority vote after a hearing on the ordinance or resolution. Such  
14 ordinance or resolution shall nevertheless result in an equitable  
15 contribution for the cost of providing such services to the exempt  
16 property;

17 (c) Property owned by and used exclusively for agricultural and  
18 horticultural societies;

19 (d) Property owned by educational, religious, charitable, or  
20 cemetery organizations, or any organization for the exclusive benefit of  
21 any such educational, religious, charitable, or cemetery organization,  
22 and used exclusively for educational, religious, charitable, or cemetery  
23 purposes, when such property is not (i) owned or used for financial gain  
24 or profit to either the owner or user, (ii) used for the sale of  
25 alcoholic liquors for more than twenty hours per week, or (iii) owned or  
26 used by an organization which discriminates in membership or employment  
27 based on race, color, or national origin. For purposes of this  
28 subdivision, educational organization means (A) an institution operated  
29 exclusively for the purpose of offering regular courses with systematic  
30 instruction in academic, vocational, or technical subjects or assisting  
31 students through services relating to the origination, processing, or

1 guarantying of federally reinsured student loans for higher education or  
2 (B) a museum or historical society operated exclusively for the benefit  
3 and education of the public. For purposes of this subdivision, charitable  
4 organization means an organization operated exclusively for the purpose  
5 of the mental, social, or physical benefit of the public or an indefinite  
6 number of persons; and

7 (e) Household goods and personal effects not owned or used for  
8 financial gain or profit to either the owner or user.

9 (2) The increased value of land by reason of shade and ornamental  
10 trees planted along the highway shall not be taken into account in the  
11 valuation of land.

12 (3) Tangible personal property which is not depreciable tangible  
13 personal property as defined in section 77-119 shall be exempt from  
14 property tax.

15 (4) Motor vehicles required to be registered for operation on the  
16 highways of this state shall be exempt from payment of property taxes.

17 (5) Business and agricultural inventory shall be exempt from the  
18 personal property tax. For purposes of this subsection, business  
19 inventory includes personal property owned for purposes of leasing or  
20 renting such property to others for financial gain only if the personal  
21 property is of a type which in the ordinary course of business is leased  
22 or rented thirty days or less and may be returned at the option of the  
23 lessee or renter at any time and the personal property is of a type which  
24 would be considered household goods or personal effects if owned by an  
25 individual. All other personal property owned for purposes of leasing or  
26 renting such property to others for financial gain shall not be  
27 considered business inventory.

28 (6) Any personal property exempt pursuant to subsection (2) of  
29 section 77-4105 or section 77-5209.02 shall be exempt from the personal  
30 property tax.

31 (7) Livestock shall be exempt from the personal property tax.

1           (8) Any personal property exempt pursuant to the Nebraska Advantage  
2 Act shall be exempt from the personal property tax.

3           (9) Any depreciable tangible personal property used directly in the  
4 generation of electricity using wind as the fuel source shall be exempt  
5 from the property tax levied on depreciable tangible personal property.  
6 Depreciable tangible personal property used directly in the generation of  
7 electricity using wind as the fuel source includes, but is not limited  
8 to, wind turbines, rotors and blades, towers, trackers, generating  
9 equipment, transmission components, substations, supporting structures or  
10 racks, inverters, and other system components such as wiring, control  
11 systems, switchgears, and generator step-up transformers.

12           (10) Any tangible personal property that is acquired by a person  
13 operating a data center located in this state, that is assembled,  
14 engineered, processed, fabricated, manufactured into, attached to, or  
15 incorporated into other tangible personal property, both in component  
16 form or that of an assembled product, for the purpose of subsequent use  
17 at a physical location outside this state by the person operating a data  
18 center shall be exempt from the personal property tax. Such exemption  
19 extends to keeping, retaining, or exercising any right or power over  
20 tangible personal property in this state for the purpose of subsequently  
21 transporting it outside this state for use thereafter outside this state.  
22 For purposes of this subsection, data center means computers, supporting  
23 equipment, and other organized assembly of hardware or software that are  
24 designed to centralize the storage, management, or dissemination of data  
25 and information, environmentally controlled structures or facilities or  
26 interrelated structures or facilities that provide the infrastructure for  
27 housing the equipment, such as raised flooring, electricity supply,  
28 communication and data lines, Internet access, cooling, security, and  
29 fire suppression, and any building housing the foregoing.

30           (11) For each person who owns property required to be reported to  
31 the county assessor under section 77-1201, there shall be allowed an

1 exemption amount as provided in the Personal Property Tax Relief Act. For  
2 each person who owns property required to be valued by the state as  
3 provided in section 77-601, 77-682, 77-801, or 77-1248, there shall be  
4 allowed a compensating exemption factor as provided in the Personal  
5 Property Tax Relief Act.

6 Sec. 6. Section 77-693, Reissue Revised Statutes of Nebraska, is  
7 amended to read:

8 77-693 (1) The Property Tax Administrator in determining the taxable  
9 value of railroads and car lines shall determine the following ratios  
10 involving railroad and car line property and commercial and industrial  
11 property:

12 (a) The ratio of the taxable value of all commercial and industrial  
13 personal property in the state actually subjected to property tax divided  
14 by the market value of all commercial and industrial personal property in  
15 the state;

16 (b) The ratio of the taxable value of all commercial and industrial  
17 real property in the state actually subjected to property tax divided by  
18 the market value of all commercial and industrial real property in the  
19 state;

20 (c) The ratio of the taxable value of railroad personal property to  
21 the market value of railroad personal property. The numerator of the  
22 ratio shall be the taxable value of railroad personal property. The  
23 denominator of the ratio shall be the railroad system value allocated to  
24 Nebraska and multiplied by a factor representing the net book value of  
25 rail transportation personal property divided by the net book value of  
26 total rail transportation property;

27 (d) The ratio of the taxable value of railroad real property to the  
28 market value of railroad real property. The numerator of the ratio shall  
29 be the taxable value of railroad real property. The denominator of the  
30 ratio shall be the railroad system value allocated to Nebraska and  
31 multiplied by a factor representing the net book value of rail

1 transportation real property divided by the net book value of total rail  
2 transportation property; and

3 (e) Similar calculations shall be made for car line taxable  
4 properties.

5 (2) If the ratio of the taxable value of railroad and car line  
6 personal or real property exceeds the ratio of the comparable taxable  
7 commercial and industrial property by more than five percent, the  
8 Property Tax Administrator may adjust the value of such railroad and car  
9 line property to the percentage of the comparable taxable commercial and  
10 industrial property pursuant to federal statute or Nebraska federal court  
11 decisions applicable thereto.

12 (3) For purposes of this section, commercial and industrial property  
13 shall mean all real and personal property which is devoted to commercial  
14 or industrial use other than rail transportation property and land used  
15 primarily for agricultural purposes.

16 (4) After the adjustment made pursuant to subsections (1) and (2) of  
17 this section, the Property Tax Administrator shall multiply the value of  
18 the tangible personal property of each railroad and car line by the  
19 compensating exemption factor calculated in section 2 of this act.

20 Sec. 7. Section 77-801, Reissue Revised Statutes of Nebraska, is  
21 amended to read:

22 77-801 (1) All public service entities shall, on or before April 15  
23 of each year, furnish a statement specifying such information as may be  
24 required by the Property Tax Administrator on forms prescribed by the Tax  
25 Commissioner to determine and distribute the entity's total taxable value  
26 including the franchise value. All information reported by the public  
27 service entities, not available from any other public source, and any  
28 memorandum thereof shall be confidential and available to taxing  
29 officials only. For good cause shown, the Property Tax Administrator may  
30 allow an extension of time in which to file such statement. Such  
31 extension shall not exceed fifteen days after April 15.

1           (2) The returns of public service entities shall not be held to be  
2 conclusive as to the taxable value of the property, but the Property Tax  
3 Administrator shall, from all the information which he or she is able to  
4 obtain, find the taxable value of all such property, including tangible  
5 property and franchises, and shall assess such property on the same basis  
6 as other property is required to be assessed.

7           (3) The county assessor shall assess all nonoperating property of  
8 any public service entity. A public service entity operating within the  
9 State of Nebraska shall, on or before January 1 of each year, report to  
10 the county assessor of each county in which it has situs all nonoperating  
11 property belonging to such entity which is not subject to assessment and  
12 assessed by the Property Tax Administrator under section 77-802.

13           (4) The Property Tax Administrator shall multiply the value of the  
14 tangible personal property of each public service entity by the  
15 compensating exemption factor calculated in section 2 of this act.

16           Sec. 8. Section 77-1248, Reissue Revised Statutes of Nebraska, is  
17 amended to read:

18           77-1248 (1) The Property Tax Administrator shall ascertain from the  
19 reports made and from any other information obtained by him or her the  
20 taxable value of the flight equipment of air carriers and the proportion  
21 allocated to this state for the purposes of taxation as provided in  
22 section 77-1245.

23           (2) The Property Tax Administrator shall multiply the valuation of  
24 each air carrier by the compensating exemption factor calculated in  
25 section 2 of this act.

26           Sec. 9. Section 77-1514, Revised Statutes Cumulative Supplement,  
27 2014, is amended to read:

28           77-1514 (1) The county assessor shall prepare an abstract of the  
29 property assessment rolls of locally assessed real property of his or her  
30 county on forms prescribed and furnished by the Tax Commissioner. The  
31 county assessor shall file the abstract with the Property Tax

1 Administrator on or before March 19, except beginning January 1, 2014, in  
2 any county with a population of at least one hundred fifty thousand  
3 inhabitants according to the most recent federal decennial census, the  
4 real property abstract shall be filed on or before March 25. The abstract  
5 shall show the taxable value of real property in the county as determined  
6 by the county assessor and any other information as required by the  
7 Property Tax Administrator. The Property Tax Administrator, upon written  
8 request from the county assessor, may for good cause shown extend the  
9 final filing due date for the abstract and the statutory deadlines  
10 provided in section 77-5027. The Property Tax Administrator may extend  
11 the statutory deadline in section 77-5028 for a county if the deadline is  
12 extended for that county. Beginning January 1, 2014, in any county with a  
13 population of at least one hundred fifty thousand inhabitants according  
14 to the most recent federal decennial census, the county assessor shall  
15 request an extension of the final filing due date by March 22.

16 (2) The county assessor shall prepare an abstract of the property  
17 assessment rolls of locally assessed personal property of his or her  
18 county on forms prescribed and furnished by the Tax Commissioner. The  
19 county assessor shall electronically file the abstract with the Property  
20 Tax Administrator on or before July 20.

21 Sec. 10. Section 77-5209.02, Reissue Revised Statutes of Nebraska,  
22 is amended to read:

23 77-5209.02 (1) Agricultural and horticultural machinery and  
24 equipment of a qualified beginning farmer or livestock producer utilized  
25 in the beginning farmer's or livestock producer's operation may be exempt  
26 from tangible personal property tax to the extent provided in this  
27 section.

28 (2) A qualified beginning farmer or livestock producer seeking an  
29 exemption of taxable agricultural and horticultural machinery and  
30 equipment from tangible personal property tax under this section shall  
31 apply for an exemption to the county assessor on or before December 31 of

1 the year preceding the year for which the exemption is to begin.  
2 Application shall be on forms prescribed by the Tax Commissioner. For the  
3 initial year of application, an applicant shall provide the original  
4 documentation of certification provided by the board pursuant to section  
5 77-5208 with the application. Failure to provide the required  
6 documentation shall result in a denial of the exemption for the following  
7 year but shall be considered as an application for the year thereafter.

8 (3) The county assessor shall approve or deny the application for  
9 exemption. On or before February 1, the county assessor shall issue  
10 notice of approval or denial to the applicant. If the application is  
11 approved, the county assessor shall exempt no more than one hundred  
12 thousand dollars of taxable value of agricultural or horticultural  
13 machinery and equipment for each year in addition to, and applied after,  
14 any amount exempted under subsection (1) of section 2 of this act. If the  
15 application is denied by the county assessor, a written protest of the  
16 denial of the application may be filed within thirty days after the  
17 mailing of the denial to the county board of equalization.

18 (4) All provisions of section 77-1502 except dates for filing of a  
19 protest, the period for hearing protests, and the date for mailing notice  
20 of the county board of equalization's decision are applicable to any  
21 protest filed pursuant to this section. The county board of equalization  
22 shall decide any protest filed pursuant to this section within thirty  
23 days after the filing of the protest. The county clerk shall mail a copy  
24 of any decision made by the county board of equalization on a protest  
25 filed pursuant to this section to the applicant within seven days after  
26 the board's decision. Any decision of the county board of equalization  
27 may be appealed to the Tax Equalization and Review Commission, in  
28 accordance with section 77-5013, within thirty days after the date of the  
29 decision. Any applicant may petition the Tax Equalization and Review  
30 Commission in accordance with section 77-5013, on or before December 31  
31 of each year, to determine whether the agricultural and horticultural

1 machinery and equipment will receive the exemption for that year if a  
2 failure to give notice as prescribed by this section prevented timely  
3 filing of a protest or appeal provided for in this section.

4 (5) A properly granted exemption for taxable agricultural and  
5 horticultural machinery and equipment under this section shall continue  
6 for a period of three years if each year a Nebraska personal property tax  
7 return and supporting schedules and depreciation worksheet, showing a  
8 list and value of all taxable tangible personal property, are provided  
9 and filed by the beginning farmer or livestock producer with the county  
10 assessor when due. The value of taxable agricultural and horticultural  
11 machinery and equipment exempted pursuant to this section in any year  
12 shall not exceed one hundred thousand dollars. The exemption allowed  
13 under this section shall continue irrespective of whether the person  
14 claiming the exemption no longer meets the qualification of a beginning  
15 farmer or livestock producer pursuant to section 77-5209 during the  
16 exemption period unless the beginning farmer or livestock producer  
17 discontinues farming or livestock production.

18 (6) Any person whose agricultural and horticultural machinery and  
19 equipment has been exempted from tangible personal property tax pursuant  
20 to this section shall be permanently disqualified from any further  
21 exemption of agricultural and horticultural machinery and equipment from  
22 tangible personal property tax as a qualified beginning farmer or  
23 livestock producer except as allowed in subsection (1) of section 2 of  
24 this act.

25 Sec. 11. The Revisor of Statutes shall assign sections 1 to 3 of  
26 this act to Chapter 77, article 12.

27 Sec. 12. This act becomes operative on January 1, 2016.

28 Sec. 13. Original sections 13-518, 77-693, 77-801, 77-1248, and  
29 77-5209.02, Reissue Revised Statutes of Nebraska, and sections 77-202 and  
30 77-1514, Revised Statutes Cumulative Supplement, 2014, are repealed.