

AMENDMENTS TO LB243

(Amendments to E&R amendments, ER21)

Introduced by Briese, 41.

1           1. Strike sections 2, 3, 7, 13, 16, 19, 24, 26, and 28 and insert  
2 the following new sections:

3           Sec. 2. For purposes of the School District Property Tax Limitation  
4 Act, unless the context otherwise requires:

5           (1) Approved bonds means (a) bonds that are issued by a school  
6 district after the question of issuing such bonds has been approved by  
7 the voters of such school district and (b) bonds that are issued by a  
8 school district pursuant to section 79-10,110, 79-10,110.01, or  
9 79-10,110.02;

10          (2) Average daily membership has the same meaning as in section  
11 79-1003;

12          (3) Base growth percentage means the sum of:

13           (a) Three percent;

14           (b) The annual percentage increase in the student enrollment of the  
15 school district multiplied by:

16           (i) One if the school district's student enrollment has grown by an  
17 average of at least three percent and by at least one hundred fifty  
18 students over the preceding three years;

19           (ii) Seven-tenths if the school district's student enrollment has  
20 grown by an average of at least three percent over the preceding three  
21 years; or

22           (iii) Four-tenths if subdivisions (3)(b)(i) and (3)(b)(ii) of this  
23 section do not apply;

24           (c) The percentage obtained by first dividing the annual increase in  
25 the total number of limited English proficiency students in the school  
26 district by the student enrollment of the school district and then

1 multiplying the quotient by fifteen hundredths; and

2 (d) The percentage obtained by first dividing the annual increase in  
3 the total number of poverty students in the school district by the  
4 student enrollment of the school district and then multiplying the  
5 quotient by fifteen hundredths;

6 (4) Department means the State Department of Education;

7 (5) Non-property-tax revenue means revenue of a school district from  
8 all state and local sources other than real and personal property taxes.  
9 Non-property-tax revenue does not include grants, donations, bonds, all  
10 revenue from a school district that has been merged into another school  
11 district or dissolved, activity funds, bond funds, cooperative funds,  
12 depreciation funds, employee benefit funds, nutrition funds, qualified  
13 capital purpose undertaking funds, or student fee funds, insurance  
14 proceeds, proceeds from the sale of property including land, buildings,  
15 or capital assets in special building funds, or proceeds of financing;

16 (6) Property tax request means the total amount of property taxes  
17 for the general and special building funds requested to be raised for a  
18 school district through the levy imposed pursuant to section 77-1601;

19 (7) Property tax request authority means the amount that may be  
20 included in a property tax request for the general or special building  
21 funds of the school district as determined pursuant to the School  
22 District Property Tax Limitation Act;

23 (8) School board has the same meaning as in section 79-101;

24 (9) School district has the same meaning as in section 79-101; and

25 (10) Student enrollment means the total number of students in the  
26 school district according to the fall school district membership report  
27 described in subsection (4) of section 79-528.

28 Sec. 3. (1) Except as provided in sections 4 and 5 of this act, a  
29 school district's property tax request for any year shall not exceed the  
30 school district's property tax request authority.

31 (2) The department shall calculate each school district's property

1 tax request authority on an annual basis as follows:

2 (a) The school district's property tax request from the prior year  
3 shall be added to the non-property-tax revenue from the prior year minus  
4 any investment income from special building funds from the prior year,  
5 and the total shall be increased by the school district's base growth  
6 percentage; and

7 (b) The amount determined under subdivision (2)(a) of this section  
8 shall then be decreased by the amount of total non-property-tax revenue  
9 for the current year and adjusted for any known or documented errors in  
10 documentation received by the department from the school district. In  
11 determining the total non-property-tax revenue for the current year, any  
12 category of non-property-tax revenue for which there is insufficient data  
13 as of June 1 to make an accurate determination shall be deemed to be  
14 equal to the prior year's amount.

15 (3) The department shall certify the amount determined for each  
16 school district under this section to the school board of such school  
17 district. Such certified amount shall be the school district's property  
18 tax request authority.

19 Sec. 7. The department shall prepare documents to be submitted by  
20 school districts to aid the department in calculating each school  
21 district's property tax request authority and unused property tax request  
22 authority. Each school district shall submit such documents to the  
23 department on or before September 30 of each year. If a school district  
24 fails to submit such documents to the department or if the department  
25 determines from such documents that a school district is not complying  
26 with the limits provided in the School District Property Tax Limitation  
27 Act, the department shall notify the school district of its  
28 determination. The Commissioner of Education shall then direct that any  
29 state aid granted pursuant to the Tax Equity and Educational  
30 Opportunities Support Act be withheld until such time as the school  
31 district submits the required documents or complies with the School

1 District Property Tax Limitation Act. The state aid shall be held for six  
2 months. If the school district complies within the six-month period, it  
3 shall receive the suspended state aid. If the school district fails to  
4 comply within the six-month period, the suspended state aid shall revert  
5 to the General Fund.

6 Sec. 13. Section 77-4212, Revised Statutes Cumulative Supplement,  
7 2022, is amended to read:

8 77-4212 (1) For tax year 2007, the amount of relief granted under  
9 the Property Tax Credit Act shall be one hundred five million dollars.  
10 For tax year 2008, the amount of relief granted under the act shall be  
11 one hundred fifteen million dollars. It is the intent of the Legislature  
12 to fund the Property Tax Credit Act for tax years after tax year 2008  
13 using available revenue. For tax year 2017, the amount of relief granted  
14 under the act shall be two hundred twenty-four million dollars. For tax  
15 year 2020 through tax year 2022 ~~2020~~ and each tax year thereafter, the  
16 minimum amount of relief granted under the act shall be two hundred  
17 seventy-five million dollars. For tax year 2023, the minimum amount of  
18 relief granted under the act shall be three hundred sixty million  
19 dollars. For tax year 2024, the minimum amount of relief granted under  
20 the act shall be three hundred ninety-five million dollars. For tax year  
21 2025, the minimum amount of relief granted under the act shall be four  
22 hundred thirty million dollars. For tax year 2026, the minimum amount of  
23 relief granted under the act shall be four hundred forty-five million  
24 dollars. For tax year 2027, the minimum amount of relief granted under  
25 the act shall be four hundred sixty million dollars. For tax year 2028,  
26 the minimum amount of relief granted under the act shall be four hundred  
27 seventy-five million dollars. For tax year 2029, the minimum amount of  
28 relief granted under the act shall be the minimum amount from the prior  
29 tax year plus a percentage increase equal to the percentage increase, if  
30 any, in the total assessed value of all real property in the state from  
31 the prior year to the current year, as determined by the Department of

1 Revenue, plus an additional seventy-five million dollars. For tax year  
2 2030 and each tax year thereafter, the minimum amount of relief granted  
3 under the act shall be the minimum amount from the prior tax year plus a  
4 percentage increase equal to the percentage increase, if any, in the  
5 total assessed value of all real property in the state from the prior  
6 year to the current year, as determined by the Department of Revenue. If  
7 money is transferred or credited to the Property Tax Credit Cash Fund  
8 pursuant to any other state law, such amount shall be added to the  
9 minimum amount required under this subsection when determining the total  
10 amount of relief granted under the act. The relief shall be in the form  
11 of a property tax credit which appears on the property tax statement.

12 (2)(a) For tax years prior to tax year 2017, to determine the amount  
13 of the property tax credit, the county treasurer shall multiply the  
14 amount disbursed to the county under subdivision (4)(a) of this section  
15 by the ratio of the real property valuation of the parcel to the total  
16 real property valuation in the county. The amount determined shall be the  
17 property tax credit for the property.

18 (b) Beginning with tax year 2017, to determine the amount of the  
19 property tax credit, the county treasurer shall multiply the amount  
20 disbursed to the county under subdivision (4)(b) of this section by the  
21 ratio of the credit allocation valuation of the parcel to the total  
22 credit allocation valuation in the county. The amount determined shall be  
23 the property tax credit for the property.

24 (3) If the real property owner qualifies for a homestead exemption  
25 under sections 77-3501 to 77-3529, the owner shall also be qualified for  
26 the relief provided in the act to the extent of any remaining liability  
27 after calculation of the relief provided by the homestead exemption. If  
28 the credit results in a property tax liability on the homestead that is  
29 less than zero, the amount of the credit which cannot be used by the  
30 taxpayer shall be returned to the Property Tax Administrator by July 1 of  
31 the year the amount disbursed to the county was disbursed. The Property

1 Tax Administrator shall immediately credit any funds returned under this  
2 subsection to the Property Tax Credit Cash Fund. Upon the return of any  
3 funds under this subsection, the county treasurer shall electronically  
4 file a report with the Property Tax Administrator, on a form prescribed  
5 by the Tax Commissioner, indicating the amount of funds distributed to  
6 each taxing unit in the county in the year the funds were returned, any  
7 collection fee retained by the county in such year, and the amount of  
8 unused credits returned.

9 (4)(a) For tax years prior to tax year 2017, the amount disbursed to  
10 each county shall be equal to the amount available for disbursement  
11 determined under subsection (1) of this section multiplied by the ratio  
12 of the real property valuation in the county to the real property  
13 valuation in the state. By September 15, the Property Tax Administrator  
14 shall determine the amount to be disbursed under this subdivision to each  
15 county and certify such amounts to the State Treasurer and to each  
16 county. The disbursements to the counties shall occur in two equal  
17 payments, the first on or before January 31 and the second on or before  
18 April 1. After retaining one percent of the receipts for costs, the  
19 county treasurer shall allocate the remaining receipts to each taxing  
20 unit levying taxes on taxable property in the tax district in which the  
21 real property is located in the same proportion that the levy of such  
22 taxing unit bears to the total levy on taxable property of all the taxing  
23 units in the tax district in which the real property is located.

24 (b) Beginning with tax year 2017, the amount disbursed to each  
25 county shall be equal to the amount available for disbursement determined  
26 under subsection (1) of this section multiplied by the ratio of the  
27 credit allocation valuation in the county to the credit allocation  
28 valuation in the state. By September 15, the Property Tax Administrator  
29 shall determine the amount to be disbursed under this subdivision to each  
30 county and certify such amounts to the State Treasurer and to each  
31 county. The disbursements to the counties shall occur in two equal

1 payments, the first on or before January 31 and the second on or before  
2 April 1. After retaining one percent of the receipts for costs, the  
3 county treasurer shall allocate the remaining receipts to each taxing  
4 unit based on its share of the credits granted to all taxpayers in the  
5 taxing unit.

6 (5) For purposes of this section, credit allocation valuation means  
7 the taxable value for all real property except agricultural land and  
8 horticultural land, one hundred twenty percent of taxable value for  
9 agricultural land and horticultural land that is not subject to special  
10 valuation, and one hundred twenty percent of taxable value for  
11 agricultural land and horticultural land that is subject to special  
12 valuation.

13 (6) The State Treasurer shall transfer from the General Fund to the  
14 Property Tax Credit Cash Fund one hundred five million dollars by August  
15 1, 2007, and one hundred fifteen million dollars by August 1, 2008.

16 (7) The Legislature shall have the power to transfer funds from the  
17 Property Tax Credit Cash Fund to the General Fund.

18 Sec. 18. Section 77-6703, Revised Statutes Cumulative Supplement,  
19 2022, is amended to read:

20 77-6703 (1) For taxable years beginning or deemed to begin on or  
21 after January 1, 2020, under the Internal Revenue Code of 1986, as  
22 amended, there shall be allowed to each eligible taxpayer a refundable  
23 credit against the income tax imposed by the Nebraska Revenue Act of 1967  
24 or against the franchise tax imposed by sections 77-3801 to 77-3807. The  
25 credit shall be equal to the credit percentage for the taxable year, as  
26 set by the department under subsection (2) of this section, multiplied by  
27 the amount of school district taxes paid by the eligible taxpayer during  
28 such taxable year.

29 (2)(a) For taxable years beginning or deemed to begin during  
30 calendar year 2020, the department shall set the credit percentage so  
31 that the total amount of credits for such taxable years shall be one

1 hundred twenty-five million dollars;

2 (b) For taxable years beginning or deemed to begin during calendar  
3 year 2021, the department shall set the credit percentage so that the  
4 total amount of credits for such taxable years shall be one hundred  
5 twenty-five million dollars plus either (i) the amount calculated for  
6 such calendar year under subdivision (3)(b)(ii)(B) of section 77-4602 or  
7 (ii) the amount calculated for such calendar year under subdivision (3)  
8 (c)(ii)(B) of section 77-4602, whichever is applicable;

9 (c) For taxable years beginning or deemed to begin during calendar  
10 year 2022, the department shall set the credit percentage so that the  
11 total amount of credits for such taxable years shall be five hundred  
12 forty-eight million dollars;

13 (d) For taxable years beginning or deemed to begin during calendar  
14 year 2023, the department shall set the credit percentage so that the  
15 total amount of credits for such taxable years shall be five hundred  
16 sixty million seven hundred thousand dollars; ~~and~~

17 (e) For taxable years beginning or deemed to begin during calendar  
18 year 2024 through ~~and each~~ calendar year 2028 ~~thereafter~~, the department  
19 shall set the credit percentage so that the total amount of credits for  
20 such taxable years shall be the maximum amount of credits allowed in the  
21 prior year increased by the allowable growth percentage; ~~-~~

22 (f) For taxable years beginning or deemed to begin during calendar  
23 year 2029, the department shall set the credit percentage so that the  
24 total amount of credits for such taxable years shall be the maximum  
25 amount of credits allowed in the prior year increased by the allowable  
26 growth percentage plus an additional seventy-five million dollars; and

27 (g) For taxable years beginning or deemed to begin during calendar  
28 year 2030 and each calendar year thereafter, the department shall set the  
29 credit percentage so that the total amount of credits for such taxable  
30 years shall be the maximum amount of credits allowed in the prior year  
31 increased by the allowable growth percentage.

1           (3) If the school district taxes are paid by a corporation having an  
2 election in effect under subchapter S of the Internal Revenue Code, a  
3 partnership, a limited liability company, a trust, or an estate, the  
4 amount of school district taxes paid during the taxable year may be  
5 allocated to the shareholders, partners, members, or beneficiaries in the  
6 same proportion that income is distributed for taxable years beginning or  
7 deemed to begin before January 1, 2021, under the Internal Revenue Code  
8 of 1986, as amended. The department shall provide forms and schedules  
9 necessary for verifying eligibility for the credit provided in this  
10 section and for allocating the school district taxes paid. For taxable  
11 years beginning or deemed to begin on or after January 1, 2021, under the  
12 Internal Revenue Code of 1986, as amended, the refundable credit shall be  
13 claimed by the corporation having an election in effect under subchapter  
14 S of the Internal Revenue Code, the partnership, the limited liability  
15 company, the trust, or the estate that paid the school district taxes.

16           (4) For any fiscal year or short year taxpayer, the credit may be  
17 claimed in the first taxable year that begins following the calendar year  
18 for which the credit percentage was determined. The credit shall be taken  
19 for the school district taxes paid by the taxpayer during the immediately  
20 preceding calendar year.

21           (5) For the first taxable year beginning or deemed to begin on or  
22 after January 1, 2021, and before January 1, 2022, under the Internal  
23 Revenue Code of 1986, as amended, for a corporation having an election in  
24 effect under subchapter S of the Internal Revenue Code, a partnership, a  
25 limited liability company, a trust, or an estate that paid school  
26 district taxes in calendar year 2020 but did not claim the credit  
27 directly or allocate such school district taxes to the shareholders,  
28 partners, members, or beneficiaries as permitted under subsection (3) of  
29 this section, there shall be allowed an additional refundable credit.  
30 This credit shall be equal to six percent, multiplied by the amount of  
31 school district taxes paid during 2020 by the eligible taxpayer.

1           Sec. 19. Section 77-6706, Revised Statutes Cumulative Supplement,  
2   2022, is amended to read:

3           77-6706 (1) For taxable years beginning or deemed to begin on or  
4   after January 1, 2022, 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 community college taxes paid by the eligible taxpayer~~  
11   ~~during such taxable year.~~

12           (2) (2)(a) For taxable years beginning or deemed to begin during  
13   calendar year 2022, the credit shall be equal to the credit percentage  
14   for the taxable year, as set by the department under this subsection,  
15   multiplied by the amount of community college taxes paid by the eligible  
16   taxpayer during such taxable year. The the department shall set the  
17   credit percentage so that the total amount of credits for such taxable  
18   years shall be fifty million dollars. ÷

19           (3) For taxable years beginning or deemed to begin during calendar  
20   year 2023, the credit shall be equal to the credit percentage for the  
21   taxable year, as set by the department under this subsection, multiplied  
22   by the amount of community college taxes paid by the eligible taxpayer  
23   during such taxable year. The department shall set the credit percentage  
24   so that the total amount of credits for such taxable years shall be one  
25   hundred million dollars.

26           (4) For taxable years beginning or deemed to begin on or after  
27   January 1, 2024, the credit shall be equal to one hundred percent of the  
28   community college taxes paid by the eligible taxpayer during the taxable  
29   year.

30           ~~(b) For taxable years beginning or deemed to begin during calendar~~  
31   ~~year 2023, the department shall set the credit percentage so that the~~

1 ~~total amount of credits for such taxable years shall be one hundred~~  
2 ~~million dollars;~~

3 ~~(c) For taxable years beginning or deemed to begin during calendar~~  
4 ~~year 2024, the department shall set the credit percentage so that the~~  
5 ~~total amount of credits for such taxable years shall be one hundred~~  
6 ~~twenty-five million dollars;~~

7 ~~(d) For taxable years beginning or deemed to begin during calendar~~  
8 ~~year 2025, the department shall set the credit percentage so that the~~  
9 ~~total amount of credits for such taxable years shall be one hundred fifty~~  
10 ~~million dollars;~~

11 ~~(e) For taxable years beginning or deemed to begin during calendar~~  
12 ~~year 2026, the department shall set the credit percentage so that the~~  
13 ~~total amount of credits for such taxable years shall be one hundred~~  
14 ~~ninety-five million dollars; and~~

15 ~~(f) For taxable years beginning or deemed to begin during calendar~~  
16 ~~year 2027 and each calendar year thereafter, the department shall set the~~  
17 ~~credit percentage so that the total amount of credits for such taxable~~  
18 ~~years shall be the maximum amount of credits allowed in the prior year~~  
19 ~~increased by the allowable growth percentage.~~

20 ~~(5) (3) If the community college taxes are paid by a corporation~~  
21 ~~having an election in effect under subchapter S of the Internal Revenue~~  
22 ~~Code, a partnership, a limited liability company, a trust, or an estate,~~  
23 ~~the refundable credit shall be claimed by such corporation, partnership,~~  
24 ~~limited liability company, trust, or estate.~~

25 ~~(6) (4) For any fiscal year or short year taxpayer, the credit~~  
26 ~~allowed under subsection (2) or (3) of this section may be claimed in the~~  
27 ~~first taxable year that begins following the calendar year for which the~~  
28 ~~credit percentage was determined. The credit shall be taken for the~~  
29 ~~community college taxes paid by the taxpayer during the immediately~~  
30 ~~preceding calendar year.~~

31 Sec. 24. Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, and 28 of this act

1 become operative on January 1, 2024. Sections 11, 12, 13, 17, 18, 19, 20,  
2 21, 22, 23, and 27 of this act become operative three calendar months  
3 after the adjournment of this legislative session. Sections 14, 15, 16,  
4 and 26 of this act become operative on July 1, 2023. The other sections  
5 of this act become operative on their effective date.

6       Sec. 27. Original sections 85-1517 and 85-2231, Reissue Revised  
7 Statutes of Nebraska, and sections 77-1736.06, 77-3442, 77-4212, 77-6702,  
8 77-6703, and 77-6706, Revised Statutes Cumulative Supplement, 2022, are  
9 repealed.

10       2. Renumber the remaining sections and correct internal references  
11 accordingly.