

2018 Legislative Changes

Nebraska Department of Revenue, Property Assessment Division

May 22, 2018

Tax Increment Financing (TIF) ([LB 496](#) – *Operative Date: July 18, 2018*)

LB 496 amends [Neb. Rev. Stat. § 18-2103](#) to change the definition of a redevelopment project (TIF project) to include the construction of workforce housing either in a rural community or in an extremely blighted area within a municipality, and defines those terms; this bill also requires a study and public hearing prior to approving a redevelopment project that includes constructing workforce housing.

Payment in Lieu of Tax – Water Augmentation Projects ([LB 758](#) – *Operative Date: February 28, 2018*)

LB 758 authorizes entities developing and operating a water augmentation project for streamflow enhancement to make voluntary payments in lieu of taxes. Such entities are required to hold public hearings prior to implementing the project, seek input on how to minimize the effects of the project on the county, and publish an annual report of certain information about the project.

Tax Increment Financing ([LB 874](#) – *Operative Date: July 18, 2018*)

LB 874 makes multiple alterations to the Community Development Law, which allows tax increment financing (TIF). Among other things:

- Section 16 of the bill requires each redevelopment authority to report the progress of the redevelopment project to the governing body of each political subdivision whose property taxes are affected by the division of taxes.
- Section 18 of the bill requires each city with a TIF project to retain copies of the redevelopment plans and all supporting documents at least three years after the end of the division of taxes.
- Section 34 of the bill provides that if a redevelopment project divides the taxes on only a portion of the real property included in the project, the property must be related to the development project.
- Section 36 of the bill amends [Neb. Rev. Stat. § 77-1704.01](#) to require the tax statement for real property in a TIF project to reflect the amount of taxes allocated to each political subdivision, the amount of taxes going to the TIF project, and a statement explaining that the taxes on the real property have been divided as part of a TIF project.

Real Property Valuation Protests ([LB 885](#) – *Operative Date January 1, 2019*)

LB 885 provides that protests of the value of real property must indicate whether the person protesting is the owner of the property or authorized to protest on behalf of the owner. If not, the county clerk must mail a copy of the protest to the owner of the property; written notice of the board's decision on any such protest must also be sent to the owner of the property.

Revenue Omnibus Bill ([LB 1089](#) – *Sections 1, 9, 10, and 21 are effective April 17, 2018. Sections 4-8 and 11-20 are effective January 1, 2019*)

- Section 1 of the bill amends [Neb. Rev. Stat. § 77-118](#) to provide that, for purchases of depreciable tangible personal property made between January 1, 2018 and January 1, 2020, if there is an election to expense the property under Section 179 of the Internal Revenue Code, and similar personal

property is traded in as part of the payment, the Nebraska adjusted basis will be the remaining net book value of the property being traded, plus cash paid.

- Section 6 of the bill amends [§ 77-3506](#) to move the homestead exemption for the unremarried surviving spouse of a service member who dies while on active duty (what had been the Department's Category 6) into Category 4. Sections 4, 5, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 19, and 20 of the bill all reflect this change.
- Sections 9 and 10 of the bill also amend §§ [77-3507](#) and [77-3508](#) to retain the indexing for homestead income eligibility amounts based on the Consumer Price Index.
- Section 11 amends [§ 77-3509.01](#) to require homestead transfer applications to be filed on or before August 15 or within 30 days of receiving a notice of rejection.
- Section 16 amends [§ 77-3513](#) so that persons who have qualified for a homestead exemption in the preceding year must apply in succeeding years, instead of recertifying their status.
- Section 17 amends [§ 77-3514](#) to delete references to certification of homestead status by prior year homestead recipients.
- Section 19 amends [§ 77-3516](#) to provide that the county assessor must send a notice of rejection within 10 days after determining that a homestead exemption application should be rejected.
- Section 21 amends [§ 77-3523](#) to provide that both the county treasurer and the county assessor certify the amount of taxes lost because of homestead exemptions which have been granted.
- Section 25 repeals § 77-3509 outright.