

One Hundred Seventh Legislature - Second Session - 2022

Introducer's Statement of Intent

LB891

Chairperson: Senator Lou Ann Linehan

Committee: Revenue

Date of Hearing: January 26, 2022

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB 891 intends to provide funding to LB 890, introduced by Senator Lynne Walz.

The bill provides school funding by dedicating a half-cent sales tax from the current 5.5% state sales tax. This half-cent of the sales tax is then matched by the State and placed in a trust fund entitled the Education Stabilization Base Aid Trust Fund (ESBA).

The bill allows for a repurposing of LB 1107 (2020) Nebraska Property Tax Incentive Act to fund sustainable property tax relief through the TEEOSA formula.

LB 891 provides the max General Fund levy at 95¢

LB 891 separates the Special Building Fund and has a max levy of 10¢

- Levy can be increased to 15¢, if the School Board attains a supermajority vote

- Combined GF & SBF levies cannot exceed \$1.05 without a vote of the people

LB 891 eliminates the burden of claiming the Property Tax credit on the income tax return and will deliver immediate property tax relief through lower levies.

Principal Introducer: _____

Senator Brett Lindstrom