LEGISLATURE OF NEBRASKA

ONE HUNDRED EIGHTH LEGISLATURE

FIRST SESSION

LEGISLATIVE BILL 369

Introduced by Linehan, 39.

Read first time January 12, 2023

Committee: Revenue

- 1 A BILL FOR AN ACT relating to property taxes; to amend section 77-120,
- 2 Reissue Revised Statutes of Nebraska; to change provisions relating
- 3 to net book value; to provide an operative date; and to repeal the
- 4 original section.
- 5 Be it enacted by the people of the State of Nebraska,

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Section 1. Section 77-120, Reissue Revised Statutes of Nebraska, is amended to read:

77-120 (1) Net book value of property for taxation shall mean that
portion of the Nebraska adjusted basis of the property as of the
assessment date for the applicable recovery period in the table set forth
in this subsection.

7 NET BOOK VALUE AS A PERCENT

8 OF NEBRASKA ADJUSTED BASIS

9	Year		R	ecovery Peri	od (in years	s)	
10		3	5	7	10	15	20
11	1	75.00	85.00	89.29	92.50	95.00	96.25
12	2	37.50	59.50	70.16	78.62	85.50	89.03
13	3	12.50	41.65	55.13	66.83	76.95	82.35
14	4	0.00	24.99	42.88	56.81	69.25	76.18
15	5		8.33	30.63	48.07	62.32	70.46
16	6		0.00	18.38	39.33	56.09	65.18
17	7			6.13	30.59	50.19	60.29
18	8			0.00	21.85	44.29	55.77
19	9				13.11	38.38	51.31
20	10				4.37	32.48	46.85
21	11				0.00	26.57	42.38
22	12					20.67	37.92
23	13					14.76	33.46
24	14					8.86	29.00
25	15					2.95	24.54
26	16					0.00	20.08
27	17						15.62
28	18						11.15
29	<u>19</u>						6.68
30	19						6.69

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1	20	2.23		
2	21	0.00		

- 3 Net book value as a percent of Nebraska adjusted basis shall be
- 4 calculated using the one-hundred-fifty-percent declining balance method,
- 5 switching to straight line, with a one-half-year convention.
- 6 (2) The applicable recovery period for any item of property shall be determined as follows:
- 8 (a) Three-year property shall include property with a class life of 9 four years or less;
- 10 (b) Five-year property shall include property with a class life of 11 more than four years and less than ten years;
- (c) Seven-year property shall include property with a class life of ten years or more but less than sixteen years;
- (d) Ten-year property shall include property with a class life of sixteen years or more but less than twenty years;
- 16 (e) Fifteen-year property shall include property with a class life 17 of twenty years or more but less than twenty-five years; and
- 18 (f) Twenty-year property shall include property with a class life of 19 twenty-five years or more.
- (3) Class life shall be based upon the anticipated useful life of a class of property and shall be determined by the Property Tax Administrator under the Internal Revenue Code.
- (4) One-half-year convention shall be a convention which treats all property placed in service during any tax year as placed in service on the midpoint of such tax year.
- (5) The percent shown for year one shall be the percent used for January 1 of the year following the year the property is placed in service.
- 29 Sec. 2. This act becomes operative on January 1, 2024.
- 30 Sec. 3. Original section 77-120, Reissue Revised Statutes of 31 Nebraska, is repealed.