

Nebraska Property Tax Incentive Credit

As we begin tax season, please be aware of a new tax credit for Nebraska taxpayers.

Below is a summary of the Nebraska Property Tax Incentive Credit:

- The Nebraska Property Tax Incentive Act provides a refundable income tax credit (credit) to any taxpayer who pays school district property taxes.
- The credit is available for all income tax years beginning on or after January 1, 2020.
- The credit is equal to the credit percentage announced by the Nebraska Department of Revenue (DOR) multiplied by the amount of school district property taxes paid during the tax year.
- The credit percentage for 2020 is 6%. It is important to note the credit is not determined by the total tax due—just the portion paid to the school district.
- For pass-through entities, the school district property taxes paid will be allocated to its owners in the same proportion that income is distributed.
- To claim the credit, a form PTC must be filed as part of the tax return.

Due to real estate being divided into numerous parcels and the depth of information, this will require additional preparation time for tax preparers. **Therefore, please plan on providing your tax preparer with a copy of your real estate tax statements that you paid in 2020.**

Another important item to note--The Personal Property Tax Relief Act, which provided an exemption of \$10,000 of certain personal property, is repealed beginning in the 2020 tax year.

As always, please contact your tax preparer with any questions you may have.

Thanks!
Lori Lemmer
Income Tax Preparer

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