

**Testimony on LB81
Public Hearing Before the Revenue Committee
February 26, 2025**

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On behalf of the Nebraska Society of Certified Public Accountants,
Greater Omaha Chamber & Lincoln Chamber of Commerce**

LB81 - Define a term and change tax credit provisions under the Nebraska Property Tax Incentive Act

Chairman von Gillern and members of the Revenue Committee, thank you for the opportunity to testify today. For the record, my name is James Greisch – J-A-M-E-S G-R-E-I-S-C-H. I am here today, representing the Nebraska Society of CPAs, Greater Omaha Chamber, and Lincoln Chamber of Commerce, to urge your support for LB81 to correct a significant issue created by the passage of LB34 during last year's special session.

LB34 was intended to simplify the way Nebraskans receive property tax relief by automatically applying tax credits to property tax statements. However, in the process, the law retroactively eliminated the refundable income tax credit for most property owners who paid their 2023 school property taxes in 2024. The result? A one-year tax increase of more than **\$550 million**—essentially a **10% increase** in Nebraska's total property tax burden. For some individual taxpayers, this amounted to an **18% hike** in their property tax bill.

This was not the intent of LB34, but it's the reality. The timing of its implementation created **winners and losers** among Nebraska taxpayers. Property owners who paid their 2023 school taxes before January 1, 2024, could claim the refundable income tax credit on their 2023 income tax return. But the vast majority of Nebraskans—particularly those who pay through mortgage escrow—paid their 2023 property taxes in 2024 and now find themselves **completely excluded** from claiming the credit. These taxpayers followed the law, yet they are now unfairly burdened with an unexpected tax hike. This is not just an accounting oversight—it's a direct financial hit to farmers, ranchers, homeowners, and small business owners across the state. These Nebraskans budgeted for the property tax relief they had every reason to expect. Instead, they are facing higher tax bills at a time when property taxes are already a major concern for Nebraska families.

We recognize that Nebraska is facing a projected revenue shortfall, and we appreciate the difficult budget decisions the Legislature must make. However, correcting this issue is about ensuring fairness and upholding the tax relief that was already promised to Nebraskans. Addressing this unintended tax hike is a matter of equity, and LB81 provides a responsible solution to ensure taxpayers are treated consistently.

LB81 offers a simple, commonsense solution: It ensures that all property owners who paid their 2023 school taxes—whether in 2023 or 2024—are treated **fairly and equitably** by allowing them to claim the relief they were promised. We should not penalize taxpayers for the unintended consequences of legislative timing.

I urge this committee to advance LB81 and correct this mistake. Nebraska taxpayers deserve **consistency, fairness, and the full tax relief they were promised**. Thank you for your time, and I would be happy to answer any questions.