

Frequently Asked Questions: Truth in Taxation in Nebraska

What is Truth in Taxation?

In the 2021 legislative session, LB644 was passed to add transparency and accountability to Nebraska's property tax levying process. LB644 is officially titled the Property Tax Request Act, but the policy behind it has been commonly referred to as Truth in Taxation since the 1980s.

Nebraska's Truth in Taxation law requires that any county, city, school district, or community college seeking an annual increase in property tax revenue exceeding 2%, plus the percentage of real growth, participate in a public hearing between September 17 and 28 to make the case to their taxpayers and voters. Counties must notify taxpayers with a postcard mailed to the property owners at least 7 days in advance of the hearing date.

Why do we want to pay attention?

September 2022 will be Nebraska's first experience with the Truth in Taxation process and will undoubtedly be a valuable learning experience for both public officials and the taxpaying public. Going forward, elected officials will need to make the case for additional tax dollars when they propose a major levy increase based on higher assessed property values. This transparency can add accountability to local tax policy decisions in Nebraska, which is especially important during an inflationary cycle that is driving up property values.

The big win for Nebraskans is that Truth in Taxation simplifies the process of being an informed taxpayer and participating in how the bulk of local property taxes are decided.

What information will appear on the Truth in Taxation postcard?

In addition to information about the property and its owner(s), postcards must include:

- The words "NOTICE OF PROPOSED TAX INCREASE"
- The name of the county where the hearing will take place and the name of the political subdivision
- Time, date, and location of the hearing
- Estimates of the tax on your property as a result of the revenue increase (the actual tax on your property may increase or decrease)
- Last year's and this year's assessed value of the property and the corresponding property taxes paid and due for each participating political subdivision
- The change in the amount of property taxes due from the previous year to the current tax year
- Contact information for the political subdivision(s) holding the hearing.

What are the taxing authorities that are covered by this law?

Counties, cities, community colleges, and school districts who propose a property tax revenue increase greater than 2%, plus the jurisdiction's percentage of real growth, are required to participate in a special Truth in Taxation hearing, called a joint public hearing. While these are just four of the several political subdivisions that may appear on your tax bill, they typically account for about 95% of your total property tax bill.

What makes a Truth in Taxation hearing different from other public hearings?

The four types of political subdivisions adhering to Truth in Taxation will take part in a joint public hearing, meaning all subdivisions will participate in the same hearing. The hearing will be held at one location in each county. The law requires that anyone who wants to testify be granted time to do so. Discussion about proposed property tax increases is the only agenda item at this hearing, which is required to be held after 6 p.m. to make it easier for people to attend.

What information will subdivisions provide at the hearing?

A representative of each subdivision will give a brief presentation including the name of the subdivision, the property tax request amount, and required language specifying:

- How much the total assessed value of property has changed from last year
- The tax rate that would levy the same amount of property tax as last year
- The proposed tax rate and percent increase of the proposed total budget
- Contact information for the political subdivision.

What is the “real growth percentage?”

The “real growth percentage” is defined as an increase in real property valuation due to:

- Improvements to property from new construction and additions to existing buildings
- Other improvements to real property which increase the value of the property
- Annexation of real property
- A change in use of the real property
- An increase in value due to a tax increment financing project.

What will the Platte Institute be doing to help taxpayers during Truth in Taxation?

The Platte Institute is informing Nebraskans about their opportunity to help hold the line on property taxes by being part of the Truth in Taxation process. With the information and hearings provided by the law, members of the public can engage with the locally-elected officials who decide on their property tax bill. You can connect with all the educational materials we have created at PlatteInstitute.org/Truth.