



Refundable Income Tax Credit for Property Taxes Paid to Schools

(For information purposes only. Seek guidance from a tax professional or the Department of Revenue for specific questions on the tax credit.)

Taxpayers who pay property taxes to schools and file Nebraska income taxes are eligible to claim a refundable income tax credit on the amount of property taxes paid to schools. For tax year 2020, the credit equals 6 percent of property taxes paid to schools and applies to taxes paid between Jan. 1 and Dec. 31, 2020. The credit applies to property taxes paid on real property (land, buildings, residences) excluding taxes levied for bond repayments and taxes levied as a result of voter-approved overrides of levy limits. It does not apply to taxes paid to schools on personal property like agricultural machinery and equipment or those paid on motor vehicles. To claim the credit:

Step 1

Go to: <https://ndr-1107parcel.ne.gov/parcelldLookup/faces/search.xhtml> and look up the taxes paid on each parcel owned. The site will provide the allowable dollar amount of net taxes paid after state property tax credits are applied.

- A parcel number and the county where the parcel is located will need to be entered for each parcel owned.
- Note the credit applies to taxes paid to schools in 2020. Taxes paid in 2020 could include those listed on a 2019 property tax statement and not paid until 2020, or those listed on a 2020 tax statement and paid in 2020. Make sure the proper property tax statement year is entered in the lookup tool. If taxes were paid in 2020 for both 2019 and 2020 property tax statements, each year must be entered into the tool separately.

Step 2

Enter the allowable dollar amount of taxes paid on each parcel on Form PTC—Nebraska Property Tax Incentive Act Credit Computation: [f_ptc.pdf \(nebraska.gov\)](#). Calculate the refundable tax credit by multiplying the total allowable dollar amount of property taxes paid by 0.06 and enter the amount on line 4 of Form PTC.

- The total amount of tax due reported on the Real Estate Tax Statement is not the amount used to calculate the credit claimed on a tax return.
- The instructions for Form PTC provide more background information on the credit.

Step 3

Enter the amount from line 4 of Form PTC on the applicable income tax form. For example, line 36 on Form 1040N. Be sure to attach Form PTC when filing income taxes.

Other items to know:

- More background on the credit can be found at: <https://revenue.nebraska.gov/about/nebraska-income-tax-credit-school-district-taxes-paid-nebraska-property-tax-incentive-act-0>
- The person who paid the property taxes on a parcel is the only person who can claim the credit.
- The school property tax is considered paid on the date it is received by the county treasurer.
- When a parcel owner's monthly payment to a mortgage company includes an amount for deposit in an escrow account for property taxes, the date the county treasurer receives the payment from the escrow company is the date the school district property tax is paid.
- When a parcel is sold, it assumed each owner paid the school district property tax based on a ratio of the number of ownership days in the property tax year to the total number of days in the property tax year. This assumption may be overcome by providing evidence to the contrary.
- When a parcel is owned by more than one individual or entity, it is assumed the school district property tax was paid by each owner based on their parcel ownership percentage during the property tax year. This assumption may be overcome by providing evidence to the contrary.