



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 2021, the credit equals 25.3 percent of property taxes paid to schools and applies to taxes paid between Jan. 1 and Dec. 31, 2021. 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. The credit 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: ndr-1107parcel.ne.gov/parcelldLookup/faces/search.xhtml to look up the taxes paid on each parcel owned. The site will provide the dollar amount of net taxes paid on each parcel.

- A parcel number and the county where the parcel is located must be entered for each parcel. If the parcel number is not known, go to: revenue.nebraska.gov/about/county-parcel-id-search
- The credit applies to taxes paid in 2021. This most likely are taxes levied in 2020 but paid in 2021. Some taxpayers may have paid taxes levied in 2021 before the end of the year. These tax payments are also eligible for the credit. Make sure the proper tax year is entered in the lookup tool.

Step 2

Enter the 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 0.253 and enter the amount on line 4 of Form PTC.

- The total amount of tax due reported on a Real Estate Tax Statement is not the amount used to calculate the credit claimed.
- 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.

- **Forget to claim the tax credit last year? There is still time!**
Add your 2020 information on your PTC form for 2020 in line 5 using the same steps above.

Other items to know:

- More background on the credit can be found at: 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 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.