



This Week in State Tax (TWIST)

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Multistate: Special Session Update: Nebraska Passes Slimmed Down Bill, Colorado to Begin New Session on Property Taxes

Property tax relief continues to be a high priority in many states. The Nebraska legislature adjourned last week after a 17-day special session in which it managed to pass a substantially slimmed-down measure compared to the Governor's opening offer. Colorado legislators will convene this week to consider additional relief aimed at deflating prospects for certain ballot initiatives.

When Nebraska Governor Jim Pillen called the special session, he sought a 40-50 percent reduction in local property taxes statewide. Local revenue costs would have been offset by increased state funding financed by expanding the sales tax base to many personal, professional, and computer services and adopting an advertising services tax, among other measures. The legislature proved unable to agree on how to pay for property tax reductions of that magnitude and adjourned after passing what has been termed an "absolute minimum" package of stricter property tax caps on local governments. The \$185 million in relief will be financed by state budget cuts, transfers of funds, and cash reserves. The bill ([LB 34](#)) was signed by Gov. Pillen on August 21, but most observers expect the property tax debate to be revisited when the Unicameral returns in January.

In Colorado, Governor Jared Polis has called a special session to begin on August 26. The Governor is proposing to provide some \$270 million in additional property tax relief for 2025 to augment a relief package that was enacted during the regular legislative session in May. The driving force behind the new push is to provide additional property tax relief and secure agreement from backers of two property tax-related ballot proposals to withdraw the measures from the November ballot. Proposition 108 would reduce assessment rates for all properties and require the State to hold local governments harmless from revenue losses; Initiative 50 proposes a 4 percent annual cap on property tax revenue growth without voter approval. The ballot proposals would have a significant impact on state and local finances, according to some analyses. For updates on Colorado, stay tuned to TWIST.

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