

RESOLUTION NO. 1991-16

A RESOLUTION SUPPORTING THE POSITION OF THE LEAGUE OF NEBRASKA MUNICIPALITIES ON THE PERSONAL PROPERTY TAX CRISIS.

WHEREAS, municipalities and other political subdivisions need a stable, reliable and adequate tax base in order to budget to provide services on the local level. Recent court decisions and the Legislature's response to the court cases have placed local governments in an extremely difficult financial dilemma. The property tax base on which municipalities and other political subdivisions rely to fund services on the local level is unstable and has been consistently and successfully challenged in court due to either the 4-R Act passed by Congress or the tax policy decisions of prior legislatures; and

WHEREAS, the Legislature needs to provide property taxpayers and local governments a property tax base which is at least a) constitutional, b) stable, c) sufficient and d) equitable; and

WHEREAS, in developing a constitutional proposal for the taxation of personal income-producing property, the League of Nebraska Municipalities believes that the taxation of business and agricultural inventories, without comparable tax relief through income tax credits or some other constitutional tax treatment, will have an immediate and long-term negative impact on the state's economy and, ultimately, the economic viability of the cities and village of Nebraska; and

WHEREAS, the League of Nebraska Municipalities supports a broader property tax base which will lower the rate for all property taxpayers;

WHEREAS, the League of Nebraska Municipalities supports either of the following two proposals to resolve the personal property tax crisis:

(1) Return to the tax rolls all income-producing personal property and provide those paying personal property taxes on business and ag inventories an income tax credit or design some other constitutional tax treatment to "hold them harmless".

OR

(2) Passage of an amendment to the state constitution by the voters of Nebraska to a) separate real from personal property by class, b) expressly state that business and agricultural inventories are exempt from personal property tax, c) expressly exempt household goods, personal effects, charitable and religious property, and intangibles from personal property tax, d) create a separate class for property that is exempted due to federal action, such as certain railroad property due to the 4-R Act, e) include an effective date to apply to the 1992 tax year and all future years, and f) a reimbursement for local governments for the tax base lost due to the exemptions granted to business and ag inventories.

BE IT RESOLVED by the Mayor and City Council of the City of Gothenburg, Nebraska; that


The City of Gothenburg supports the League of Nebraska Municipalities' position on the personal property tax crisis.

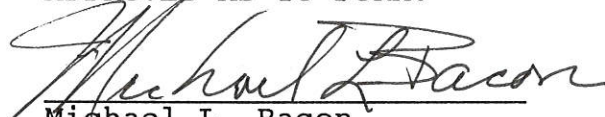
IN WITNESS WHEREOF this resolution was enacted by  
Gothenburg this 5<sup>th</sup> day of November, 1991.

CITY OF GOTHENBURG  
DAWSON COUNTY, NEBRASKA

BY   
Richard L. Blase, Mayor

ATTEST:

  
Connie Stull, City Clerk  
APPROVED AS TO FORM:

  
Michael L. Bacon,  
City Attorney  
MLB:lc/city198