

## Property Valuations and Damage Due to Natural Disasters

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In Nebraska, there may be areas that experience damage or destruction of property due to natural disasters such as tornadoes, floods, wild fires, etc. Questions often arise as to how damaged property will be assessed in the year the damage occurred.

All real property and depreciable tangible personal property, used in a trade or business, are assessed each year as of January 1, 12:01 a.m. This assessment must be used as the basis of taxation until the next assessment year, regardless of damage or destruction that may occur after January 1. [Neb. Rev. Stat. § 77-1201](#) and [Neb. Rev. Stat. § 77-1301](#).

Real property includes all lands, buildings, fixtures (except trade fixtures), improvements, improvements on leased land, cabin trailers, mobile homes, similar property, and mineral interests, including all privileges pertaining to the real property.

All real property is valued at 100% of its actual value; the exception is agricultural and horticultural land, which is valued at 75% of actual value. Agricultural and horticultural land receiving special valuation is assessed at 75% of its special value, which is the uninfluenced value of the land for agricultural and horticultural purposes. Buildings or enclosed structures located on an agricultural and horticultural parcel are valued at 100% of actual value.

All depreciable tangible personal property, used in a trade or business, with a life of more than one year, is assessed at 100% of the net book taxable value, as determined by the statutory method.

While there are no provisions in Nebraska law for the current assessment to be changed until the next assessment year, the county assessor must review the property and take into account the damage and destruction for the next assessment year, as of January 1.

**Homes, buildings, structures, and enclosures.** When possible, the county assessor must make an on-site inspection of the existence and condition of homes, buildings, structures, and enclosures that have survived the natural disaster to determine if they contribute any value to the property in their current condition. As buildings are replaced, if the county does not require a construction permit for the type of improvement being made, the landowner should provide the county assessor with an [Improvement Information Statement](#). [Neb. Rev. Stat. § 77-1318.01](#).

**Agricultural and horticultural land.** This land is recognized as a separate and distinct class of property that is inventoried by subclasses based on soil classification standards developed by the Natural Resources Conservation Service (NRCS) of the U.S. Department of Agriculture as converted into land capability groups by the Property Tax Administrator. The county assessor can use any number of classes or subclasses of real property to achieve uniform and proportionate valuations. [Neb. Rev. Stat. § 77-1363](#).

The damage or destruction of agricultural and horticultural land due to flooding may not be fully known until the floodwater has subsided and the surface is exposed. It is important that county assessors recognize that the underlying flooded land may not have the same soil profile as is currently mapped by the NRCS. The county assessor may create a separate subclass of the flooded land for valuation purposes. Many of the soils located in the areas of flooding are rated for frequency of flooding and ponding duration. The extent of flooding may exceed those ratings for flooding and ponding in these unprotected, low-lying areas in the river basin.

The damage or destruction of land due to wild fires may not be fully known until the spring growing season begins. The carrying capacity of this land may be diminished and the recovery time will be affected by the severity of the fire and availability of water.

To identify the agricultural and horticultural land parcels impacted by such natural disasters and the extent of change or damage to those parcels, county assessors should physically inspect the parcels.

In all instances, the county assessor should work with the landowner and/or farm operator, the local emergency management officer, and the local offices of NRCS and Farm Service Agency to determine the amount and extent of the actual market value change to the land.

**Fencing.** Typically, fences are not considered in the valuation of agricultural and horticultural land. If the fences are part of a feedlot or corrals in a livestock production facility, the values should be adjusted to reflect the current condition of the improvements.

**Loss of Trees.** Trees are generally not included in the valuation of agricultural and horticultural land. Unless the property valuation reflected value for trees in an orchard, tree farm, or nursery, the loss of trees will not result in a reduction of value.