

Destroyed Real Property

Overview

All real property in this state is subject to taxation and must be assessed as of January 1, 12:01 a.m. This assessment is used as the basis of taxation until the next assessment year, unless the property suffers significant property damage as a result of a calamity on or after January 1 and before July 1 of the current assessment year, the value may be adjusted in accordance with the [Report of Destroyed Real Property, Form 425](#).

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This guidance document may change with updated information or added examples. DOR recommends you do not print this document. Instead, sign up for the [subscription service](#) at revenue.nebraska.gov to get updates on your topics of interest.

Terms

Calamity. A disastrous event, including, but not limited to, a fire, an earthquake, a flood, a tornado, or other natural event which significantly affects the assessed value of real property.

Destroyed Real Property. Real property that suffers significant property damage as a result of a calamity occurring on or after January 1, and before July 1 of the current assessment year. Destroyed real property does not include property suffering significant property damage that is caused by the owner of the real property.

Significant Damage. Damage to an improvement exceeding twenty percent of the improvement's assessed value in the current tax year as determined by the county assessor; or damage to land exceeding twenty percent of a parcel's assessed land value in the current tax year as determined by the county assessor; or damage exceeding twenty percent of the property's assessed value in the current tax year as determined by the county assessor if (a) such property is located in an area that has been declared a disaster area by the Governor and (b) a housing inspector or health inspector has determined that the property is uninhabitable or unlivable.

Filing Requirements

An owner of real property that suffered significant property damage as a result of a calamity occurring on or after January 1 and before July 1 of the current assessment year.

Owners with destroyed real property must file a Form 425 with the county clerk and county assessor on or before July 15. This deadline may not be extended. A separate Form 425 must be completed for each parcel of destroyed real property.

When a property suffers significant property damage more than once between January 1 and July 1 of a given year, and the owner of a property suffering significant property damage has not previously filed a [Form 425](#) before the property suffers significant property damage from a subsequent calamity, only one Form 425 needs to be filed. However, if the owner filed a report before the property suffered additional significant property damage from a subsequent calamity, an additional report may be filed.

The owner must complete the Form 425 by providing various information, including their name, address, property parcel identification number, legal description, identify whether damage was to land and/or buildings, date of damage, and description of damage. Property owners are encouraged to attach any and all supporting documents, including any photographs, reports, damage estimates, repair estimates, insurance documents, or other documents, they wish to be considered by the county board of equalization (CBOE) in determining any adjustment to the assessed value for significant property damage. The burden is on the reporting property owner to provide sufficient evidence to allow the CBOE to make an adjustment to the assessed value of a property due to significant property damage.

Damaged Property Examples and Considerations

Some parcels will only have damage to improvements, other parcels will only have damage to the land, and yet other parcels may be totally destroyed (land and improvements) and may also be located in an area declared a disaster area by the Governor. The CBOE must consider whether the damage exceeds 20% of the current assessed value of the buildings or land or both. The current assessed value as determined by the county assessor means the value as determined by the county assessor in the current year prior to the significant property damage.

Destroyed real property does not include property suffering significant property damage that is caused by the owner of the property or an occupant of leased property. For example, owner or owner's home contractor negligently caused a fire and burned the property. This damage is not due to a calamity or natural event.

Standing water from rainfall does not always impact the use of the parcel or cause significant property damage. The CBOE will consider the report and the assessment of the property will be made by the CBOE.

The loss of crop and/or livestock as a result of a calamity is not considered destroyed real property.

When roads in a county are impassable, many meadows are covered with water, but no buildings lost, this may be a natural disaster/occurrence. The property owner would file a Form 425 and the CBOE will determine if the damage to the parcel exceeds 20% of the improvement value for that year; exceeds 20% of the land value for that year; or exceeds 20% of the total assessed value for property located in a declared disaster area by the Governor and the property is uninhabitable or unlivable. The determination regarding whether a property is uninhabitable or unlivable is to be made by the Federal Emergency Management Agency (FEMA), National Emergency Management Agency (NEMA), or other agency authorized to make such determinations.

Protest of the Reassessment of Real Property

If the owner disagrees with the results of the action of the CBOE with regard to the filed Form 425, the owner must file a valuation protest with the county clerk within 30 days of the notice of the reassessment value for destroyed real property. The CBOE must act upon the protest within 30 days after the filing of the protest. Within seven days after the final decision of the CBOE, the county clerk must mail a written notice decision to the protester.

If the protester disagrees with the results of the protest, the reassessment of the destroyed real property may be appealed to the Tax Equalization and Review Commission within 30 days after the final decision of the CBOE.

When Mobile Home Taxes have been Accelerated

When the owner of a mobile home has paid an accelerated tax to move the mobile home under [Neb. Rev. Stat §§ 77-3708](#) and [77-1725.01](#) and a CBOE has made an adjustment to the assessed value after considering the [Form 425](#) for the mobile home, upon a written claim for a refund from the mobile home owner, the county treasurer shall refund the portion of the tax paid in excess of the amount due after the adjustment has been made.

County Assessor Responsibility

Form 425 is to be filed by the owner of the destroyed real property with the county assessor and the county clerk. The county assessor is not required to perform any duties with regard to the reassessment of destroyed real property. The sole responsibility for determining the value of destroyed property is with the CBOE. DOR highly encourages the CBOE to work with the county assessor in determining the value of destroyed property. After receiving a notice of reassessment from the county clerk, the county assessor will change the value as determined by the CBOE for the current year only.

Consideration of Report of Destroyed Real Property by the CBOE

The CBOE must review the Form 425 on or after June 1 and on or before July 25, or on or before August 10 if a resolution to extend the deadline to hear protests has been adopted pursuant to [Neb. Rev. Stat. § 77-1502](#).

The CBOE will make a decision on or before July 25, or August 10 if the deadline to hear protest has been adopted, and a notice of their decision on reassessment value will be provided to the property owner that filed the report. If the property owner disagrees with the reassessment value for destroyed real property, they must file a valuation protest with the county clerk within 30 days of the notice of the reassessment value for destroyed real property. The CBOE must act upon the valuation protest within 30 days after the filing of the protest. Within seven days after the CBOE's final decision, the county clerk must mail a written notice of the decision to the protester. An appeal of the CBOE's action regarding the valuation protest of the reassessment value for destroyed real property may be made to the Tax Equalization and Review Commission.

The value of destroyed real property as determined by a CBOE is only effective for the current assessment year. The affected property will be subject to re-evaluation and assessed as of January 1 for the next assessment year.

Agricultural Land Waste Consideration

Agricultural and horticultural land that is destroyed real property may be considered waste if it meets the definition of wasteland, so long as the wasteland is lying in or adjacent to and in common ownership or management with other agricultural and horticultural land. See, [Neb. Rev. Stat. § 77-1359\(1\)](#). Example: Parcel A is flooded due to a calamity. The parcels around Parcel A were not significantly destroyed and can still be farmed. The owner of Parcel A does not own or manage the agricultural acres surrounding Parcel A. Since the parcels surrounding Parcel A are not in common ownership or management, Parcel A **cannot be** considered wasteland. If however, the owner of Parcel A does own or manage the agricultural acres surrounding Parcel A, these parcels are in common ownership or management and Parcel A **can be** considered wasteland. To ensure that values on significantly destroyed parcels are equalized, the CBOE may need to create an agricultural subclass to extend value to destroyed agricultural parcels.

Resource List:

- ❖ [Neb. Rev. Stat. § 77-1307](#)
- ❖ [Neb. Rev. Stat. § 77-1308](#)
- ❖ [Neb. Rev. Stat. § 77-1309](#)
- ❖ [Destroyed Real Property – FAQ County Assessors](#)
- ❖ [Destroyed Real Property – County Board Suggested Practices](#)
- ❖ [Report of Destroyed Real Property, Form 425](#)
- ❖ [News Release: Report of Destroyed Real Property](#)

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