

June 30, 2009

**ADJUSTMENTS TO MUNICIPAL EQUALIZATION FUND
STATE AID CALCULATIONS**

Issue:

When can the Auditor of Public Accounts (Auditor) change the certification of bond and nonbond tax request amounts for inclusion in the calculation of Municipal Equalization Fund (MEF) state aid?

Conclusion:

The Auditor must make any changes in the certification of bond and nonbond tax request amounts for use in calculating MEF state aid no later than June 1.

Analysis:

The Nebraska Department of Revenue (Department) is required to calculate state aid under [Neb. Rev. Stat. § 77-27,139.03](#). The Department is required to use bond and nonbond tax request amounts certified by the Auditor.

In recent years, there have been several errors in the numbers reported by municipalities to the Auditor on which the certifications are based. To allow municipalities to correct their errors, and still allow them sufficient time to prepare their budgets, the following procedure will be used:

1. The Auditor will certify the bond and nonbond tax request amounts to the Tax Commissioner by February 1 as required by [§ 77-27,139.03](#).
2. The Department will have the amounts of state aid and the tax request amounts from the Auditor's certification [posted on its Web site](#) by March 15. If there are any errors in the amounts reported to and certified by the Auditor, the municipality will need to contact the Auditor and may be required to file corrected budget documents.
3. If the Auditor accepts the changes, the Auditor will recertify the amounts to the Tax Commissioner. Any corrected amounts must be recertified by the Auditor to the Tax Commissioner no later than June 1. Final MEF state aid amounts will be based upon the latest certified amounts as of June 1.
4. The final numbers of the amount of MEF state aid for each municipality will be made available by the Department no later than June 15. Payments based on these final numbers will commence as required by [Neb. Rev. Stat. § 77-27,139.04](#).

APPROVED:



Douglas A. Ewald
Tax Commissioner

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