

LEGISLATIVE BILL 888

Approved by the Governor April 9, 2008

Introduced by Burling, 33; Gay, 14; Pirsch, 4.

FOR AN ACT relating to revenue and taxation; to amend section 77-2734.02, Reissue Revised Statutes of Nebraska; to change corporate income tax calculations; to provide an operative date; and to repeal the original section.

Be it enacted by the people of the State of Nebraska,

Section 1. Section 77-2734.02, Reissue Revised Statutes of Nebraska, is amended to read:

77-2734.02 (1) Except as provided in subsection (2) of this section, a tax is hereby imposed for each taxable year on the taxable income of every corporate taxpayer that is doing business in this state at a rate equal to one hundred fifty and eight-tenths percent of the primary rate imposed on individuals under section 77-2701.01 on the first ~~fifty~~ one hundred thousand dollars of taxable income and at the rate of two hundred eleven percent of such rate on all taxable income in excess of ~~fifty~~ one hundred thousand dollars. The resultant rates shall be rounded to the nearest one hundredth of one percent. ~~(a)~~ For corporate taxpayers with a fiscal year that does not coincide with the calendar year, the individual rate used for this subsection shall be the rate in effect on the first day, or the day deemed to be the first day, of the taxable year.

~~(b) For fiscal years beginning before January 1, 1968, the rate initially set shall apply for the period from January 1, 1968, to the end of that fiscal year.~~

(2) An insurance company shall be subject to taxation at the lesser of the rate described in subsection (1) of this section or the rate of tax imposed by the state or country in which the insurance company is domiciled if the insurance company can establish to the satisfaction of the Tax Commissioner that it is domiciled in a state or country other than Nebraska that imposes on Nebraska domiciled insurance companies a retaliatory tax against the tax described in subsection (1) of this section.

(3) For a corporate taxpayer that is subject to tax in another state, its taxable income shall be the portion of the taxpayer's federal taxable income, as adjusted, that is determined to be connected with the taxpayer's operations in this state pursuant to sections 77-2734.05 to 77-2734.15.

(4) Each corporate taxpayer shall file only one income tax return for each taxable year.

Sec. 2. This act becomes operative for all taxable years beginning or deemed to begin on or after January 1, 2008, under the Internal Revenue Code of 1986, as amended.

Sec. 3. Original section 77-2734.02, Reissue Revised Statutes of Nebraska, is repealed.