

## LEGISLATIVE BILL 355

Approved by the Governor April 8, 1977

Introduced by Revenue Committee, Keyes, 3, Chmn.;  
Burrows, 30; Dworak, 22; Newell, 13; Hefner,  
19

AN ACT to amend section 77-2753, Reissue Revised Statutes of Nebraska, 1943, relating to revenue and taxation; to eliminate an exception to the withholding of taxes from wages as prescribed; and to repeal the original section.

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

Section 1. That section 77-2753, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

77-2753. (1) Every employer maintaining an office or transacting business within this state and making payment of any wages taxable under the provisions of sections 77-2701 to 77-27,135 to a resident or nonresident individual whose wages are subject to withholding under the Internal Revenue Code shall deduct and withhold from such wages for each payroll period a tax computed in such manner as to result, so far as practicable, in withholding from the employee's wages during each calendar year an amount substantially equivalent to the tax reasonably estimated to be due from the employee under the provisions of sections 77-2701 to 77-27,135 with respect to the amount of such wages included in his taxable income during the calendar year. The method of determining the amount to be withheld shall be prescribed by regulations of the Tax Commissioner. ~~The provisions of this section shall not apply to payments by the United States for service in the armed forces of the United States.~~

(2) For purposes of this section an employee shall be entitled to the same number of withholding exemptions as the number of withholding exemptions to which he is entitled for federal income tax withholding purposes. An employer may rely upon the number of federal withholding exemptions claimed by the employee.

(3) The Tax Commissioner may enter into agreements with the tax departments of other states, which require income tax to be withheld from the payment of wages and salaries, so as to govern the amounts to be withheld from the wages and salaries of residents of such states. Such agreements may provide for recognition of anticipated tax credits in determining the amounts to be

LB355

withheld and, under regulations prescribed by the Tax Commissioner, may relieve employers in this state from withholding income tax on wages and salaries paid to nonresident employees. The agreements authorized by this subsection are subject to the condition that the tax department of such other states grant similar treatment to residents of this state.

Sec. 2. That original section 77-2753, Reissue Revised Statutes of Nebraska, 1943, is repealed.