

LEGISLATURE OF NEBRASKA
NINETY-SIXTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 601

Introduced by Raikes, 25; Jensen, 20; D. Pederson, 42

Read first time January 19, 1999

Committee: Revenue

A BILL

1 FOR AN ACT relating to revenue and taxation; to amend section
2 77-2716.01, Revised Statutes Supplement, 1998; to change
3 the standard deduction amount; and to repeal the original
4 section.

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

1 Section 1. Section 77-2716.01, Revised Statutes
2 Supplement, 1998, is amended to read:

3 77-2716.01. (1) Every individual shall be allowed to
4 subtract from his or her income tax liability an amount for
5 personal exemptions. The amount allowed to be subtracted shall be
6 the credit amount for the year as provided in this section
7 multiplied by the number of exemptions allowed on the federal
8 return. For tax year 1993, the credit amount shall be sixty-five
9 dollars; for tax year 1994, the credit amount shall be sixty-nine
10 dollars; for tax year 1995, the credit amount shall be sixty-nine
11 dollars; for tax year 1996, the credit amount shall be seventy-two
12 dollars; for tax year 1997, the credit amount shall be eighty-six
13 dollars; for tax year 1998, the credit amount shall be eighty-eight
14 dollars; for tax year 1999, and each year thereafter, the credit
15 amount shall be adjusted for inflation by the method provided in
16 section 151 of the Internal Revenue Code of 1986, as amended. The
17 eighty-eight-dollar credit amount shall be adjusted for cumulative
18 inflation since 1998. If any credit amount is not an even dollar
19 amount, the amount shall be rounded to the nearest dollar. The
20 amount allowed for each personal exemption shall be reduced, but
21 not below zero, by five dollars for each five thousand dollars, or
22 portion thereof, that federal adjusted gross income exceeds ninety
23 thousand dollars for married filing joint returns, fifty-four
24 thousand dollars for single returns, seventy-five thousand dollars
25 for head-of-household returns, and for married filing separate
26 returns, one-half the amount stated in this subsection for married
27 filing joint returns. For nonresident individuals and partial-year
28 resident individuals, the personal exemption credit shall be

1 subtracted as specified in subsection (3) of section 77-2715. For
2 tax year 1994 and each tax year thereafter, the income levels
3 stated in this subsection shall be adjusted for inflation by the
4 method provided in section 151 of the Internal Revenue Code of
5 1986, as amended. If any income level in this subsection is not a
6 multiple of one thousand dollars, the amount shall be rounded to
7 the next highest multiple of one thousand dollars.

8 (2) Every individual who did not itemize deductions on
9 his or her federal return shall be allowed to subtract from federal
10 adjusted gross income a standard deduction equal to the federal
11 standard deduction for the filing status used on the federal return
12 except as the amount is adjusted under section 77-2716.03, and for
13 taxable years beginning or deemed to begin on or after January 1,
14 1999, individuals filing married filing joint returns shall be
15 allowed to subtract a standard deduction equal to twice the federal
16 standard deduction for single filers.

17 (3) Every individual who itemized deductions on his or
18 her federal return shall be allowed to subtract from federal
19 adjusted gross income the greater of either the standard deduction
20 allowed in subsection (2) of this section or the amount before the
21 federal disallowance of his or her federal itemized deductions,
22 except for the amount deducted on the federal return for state or
23 local income taxes paid and the amount of any adjustment required
24 under section 77-2716.03.

25 Sec. 2. Original section 77-2716.01, Revised Statutes
26 Supplement, 1998, is repealed.