

One Hundred Fifth Legislature - First Session - 2017

Introducer's Statement of Intent

LB452

Chairperson: Senator Jim Smith

Committee: Revenue

Date of Hearing: February 15, 2017

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB452 is a tax restructure bill that includes expanding the sales tax base, reducing individual and corporate income tax brackets and rates, and phasing-out the personal exemption credit.

The number of individual income tax brackets is reduced from 4 to 3 beginning with tax year 2018 and the top bracket rate of 6.84% is reduced each year through 2025 until that rate is reduced below 6%. The number of corporate income tax brackets is reduced from 2 to 1 and the single rate is reduced from 7.58% to 5.99% by tax year 2025. If forecast revenues do not exceed prior year actual receipts by 3.5%, rate reductions are deferred until projected versus actual receipts exceed 4.2%.

LB452 phases out personal exemption credits. For married filing jointly, phase-out begins at \$150,000 adjusted gross income (AGI) with a total repeal of the exemption credits at \$250,000 or more. For all other filers phase-out begins at \$75,000 AGI with total repeal for AGI of \$125,000 or more.

Principal Introducer: _____

Senator Brett Lindstrom