

AMENDMENTS TO LB754

(Amendments to Standing Committee amendments, AM906)

Introduced by Dungan, 26.

1 1. Strike sections 8 and 15 and insert the following new sections:
2 Sec. 8. Section 77-2715.03, Revised Statutes Cumulative Supplement,
3 2022, is amended to read:

4 77-2715.03 (1) For taxable years beginning or deemed to begin on or
5 after January 1, 2013, and before January 1, 2014, the following brackets
6 and rates are hereby established for the Nebraska individual income tax:

7 Individual Income Tax Brackets and Rates

8	Bracket	Single	Married,	Head of	Married,	Estates	Tax
9	Number	Individuals	Filing	Household	Filing	and	Rate
10			Jointly		Separate	Trusts	
11	1	\$0-2,399	\$0-4,799	\$0-4,499	\$0-2,399	\$0-499	2.46%
12	2	\$2,400-	\$4,800-	\$4,500-	\$2,400-	\$500-	
13		17,499	34,999	27,999	17,499	4,699	3.51%
14	3	\$17,500-	\$35,000-	\$28,000-	\$17,500-	\$4,700-	
15		26,999	53,999	39,999	26,999	15,149	5.01%
16	4	\$27,000	\$54,000	\$40,000	\$27,000	\$15,150	
17		and Over	and Over	and Over	and Over	and Over	6.84%

18 (2) For taxable years beginning or deemed to begin on or after
19 January 1, 2014, the following brackets and rates are hereby established
20 for the Nebraska individual income tax:

21 Individual Income Tax Brackets and Rates

22	Bracket	Single	Married,	Head of	Married,	Estates	Tax
23	Number	Individuals	Filing	Household	Filing	and	Rate
24			Jointly		Separate	Trusts	
25	1	\$0-2,999	\$0-5,999	\$0-5,599	\$0-2,999	\$0-499	2.46%

1	2	\$3,000-	\$6,000-	\$5,600-	\$3,000-	\$500-	
2		17,999	35,999	28,799	17,999	4,699	3.51%
3	3	\$18,000-	\$36,000-	\$28,800-	\$18,000-	\$4,700-	
4		28,999	57,999	42,999	28,999	15,149	5.01%
5	4	\$29,000	\$58,000	\$43,000	\$29,000	\$15,150	
6		and Over	and Over	and Over	and Over	and Over	Top Rate

7 For purposes of this subsection, the top rate shall be:

8 (a) 6.84% for taxable years beginning or deemed to begin on or after
9 January 1, 2014, and before January 1, 2023;

10 (b) 6.64% for taxable years beginning or deemed to begin on or after
11 January 1, 2023, and before January 1, 2024; and

12 (c) 5.84% ~~6.44%~~ for taxable years beginning or deemed to begin on or
13 after January 1, 2024, ~~and before January 1, 2025;~~

14 ~~(d) 6.24% for taxable years beginning or deemed to begin on or after~~
15 ~~January 1, 2025, and before January 1, 2026;~~

16 ~~(e) 6.00% for taxable years beginning or deemed to begin on or after~~
17 ~~January 1, 2026, and before January 1, 2027; and~~

18 ~~(f) 5.84% for taxable years beginning or deemed to begin on or after~~
19 ~~January 1, 2027.~~

20 (3)(a) For taxable years beginning or deemed to begin on or after
21 January 1, 2015, the minimum and maximum dollar amounts for each income
22 tax bracket provided in subsection (2) of this section shall be adjusted
23 for inflation by the percentage determined under subdivision (3)(b) of
24 this section. The rate applicable to any such income tax bracket shall
25 not be changed as part of any adjustment under this subsection. The
26 minimum and maximum dollar amounts for each income tax bracket as
27 adjusted shall be rounded to the nearest ten-dollar amount. If the
28 adjusted amount for any income tax bracket ends in a five, it shall be
29 rounded up to the nearest ten-dollar amount.

30 (b)(i) For taxable years beginning or deemed to begin on or after

1 January 1, 2015, and before January 1, 2018, the Tax Commissioner shall
2 adjust the income tax brackets by the percentage determined pursuant to
3 the provisions of section 1(f) of the Internal Revenue Code of 1986, as
4 it existed prior to December 22, 2017, except that in section 1(f)(3)(B)
5 of the code the year 2013 shall be substituted for the year 1992. For
6 2015, the Tax Commissioner shall then determine the percent change from
7 the twelve months ending on August 31, 2013, to the twelve months ending
8 on August 31, 2014, and in each subsequent year, from the twelve months
9 ending on August 31, 2013, to the twelve months ending on August 31 of
10 the year preceding the taxable year. The Tax Commissioner shall prescribe
11 new tax rate schedules that apply in lieu of the schedules set forth in
12 subsection (2) of this section.

13 (ii) For taxable years beginning or deemed to begin on or after
14 January 1, 2018, the Tax Commissioner shall adjust the income tax
15 brackets based on the percentage change in the Consumer Price Index for
16 All Urban Consumers published by the federal Bureau of Labor Statistics
17 from the twelve months ending on August 31, 2016, to the twelve months
18 ending on August 31 of the year preceding the taxable year. The Tax
19 Commissioner shall prescribe new tax rate schedules that apply in lieu of
20 the schedules set forth in subsection (2) of this section.

21 (4) Whenever the tax brackets or tax rates are changed by the
22 Legislature, the Tax Commissioner shall update the tax rate schedules to
23 reflect the new tax brackets or tax rates and shall publish such updated
24 schedules.

25 (5) The Tax Commissioner shall prepare, from the rate schedules, tax
26 tables which can be used by a majority of the taxpayers to determine
27 their Nebraska tax liability. The design of the tax tables shall be
28 determined by the Tax Commissioner. The size of the tax table brackets
29 may change as the level of income changes. The difference in tax between
30 two tax table brackets shall not exceed fifteen dollars. The Tax
31 Commissioner may build the personal exemption credit and standard

1 deduction amounts into the tax tables.

2 (6) For taxable years beginning or deemed to begin on or after
3 January 1, 2013, the tax rate applied to other federal taxes included in
4 the computation of the Nebraska individual income tax shall be 29.6
5 percent.

6 (7) The Tax Commissioner may require by rule and regulation that all
7 taxpayers shall use the tax tables if their income is less than the
8 maximum income included in the tax tables.

9 Sec. 15. Section 77-2734.02, Revised Statutes Cumulative Supplement,
10 2022, is amended to read:

11 77-2734.02 (1) Except as provided in subsection (2) of this section,
12 a tax is hereby imposed on the taxable income of every corporate taxpayer
13 that is doing business in this state:

14 (a) For taxable years beginning or deemed to begin before January 1,
15 2013, at a rate equal to one hundred fifty and eight-tenths percent of
16 the primary rate imposed on individuals under section 77-2701.01 on the
17 first one hundred thousand dollars of taxable income and at the rate of
18 two hundred eleven percent of such rate on all taxable income in excess
19 of one hundred thousand dollars. The resultant rates shall be rounded to
20 the nearest one hundredth of one percent;

21 (b) For taxable years beginning or deemed to begin on or after
22 January 1, 2013, and before January 1, 2022, at a rate equal to 5.58
23 percent on the first one hundred thousand dollars of taxable income and
24 at the rate of 7.81 percent on all taxable income in excess of one
25 hundred thousand dollars;

26 (c) For taxable years beginning or deemed to begin on or after
27 January 1, 2022, and before January 1, 2023, at a rate equal to 5.58
28 percent on the first one hundred thousand dollars of taxable income and
29 at the rate of 7.50 percent on all taxable income in excess of one
30 hundred thousand dollars;

31 (d) For taxable years beginning or deemed to begin on or after

1 January 1, 2023, and before January 1, 2024, at a rate equal to 5.58
2 percent on the first one hundred thousand dollars of taxable income and
3 at the rate of 7.25 percent on all taxable income in excess of one
4 hundred thousand dollars; and

5 (e) For taxable years beginning or deemed to begin on or after
6 January 1, 2024, and ~~before January 1, 2025,~~ at a rate equal to 5.58
7 percent on the first one hundred thousand dollars of taxable income and
8 at the rate of 5.84 ~~6.50~~ percent on all taxable income in excess of one
9 hundred thousand dollars. ;

10 ~~(f) For taxable years beginning or deemed to begin on or after~~
11 ~~January 1, 2025, and before January 1, 2026, at a rate equal to 5.58~~
12 ~~percent on the first one hundred thousand dollars of taxable income and~~
13 ~~at the rate of 6.24 percent on all taxable income in excess of one~~
14 ~~hundred thousand dollars;~~

15 ~~(g) For taxable years beginning or deemed to begin on or after~~
16 ~~January 1, 2026, and before January 1, 2027, at a rate equal to 5.58~~
17 ~~percent on the first one hundred thousand dollars of taxable income and~~
18 ~~at the rate of 6.00 percent on all taxable income in excess of one~~
19 ~~hundred thousand dollars; and~~

20 ~~(h) For taxable years beginning or deemed to begin on or after~~
21 ~~January 1, 2027, at a rate equal to 5.58 percent on the first one hundred~~
22 ~~thousand dollars of taxable income and at the rate of 5.84 percent on all~~
23 ~~taxable income in excess of one hundred thousand dollars.~~

24 For corporate taxpayers with a fiscal year that does not coincide
25 with the calendar year, the individual rate used for this subsection
26 shall be the rate in effect on the first day, or the day deemed to be the
27 first day, of the taxable year.

28 (2) An insurance company shall be subject to taxation at the lesser
29 of the rate described in subsection (1) of this section or the rate of
30 tax imposed by the state or country in which the insurance company is
31 domiciled if the insurance company can establish to the satisfaction of

1 the Tax Commissioner that it is domiciled in a state or country other
2 than Nebraska that imposes on Nebraska domiciled insurance companies a
3 retaliatory tax against the tax described in subsection (1) of this
4 section.

5 (3) For a corporate taxpayer that is subject to tax in another
6 state, its taxable income shall be the portion of the taxpayer's federal
7 taxable income, as adjusted, that is determined to be connected with the
8 taxpayer's operations in this state pursuant to sections 77-2734.05 to
9 77-2734.15.

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