

LEGISLATURE OF NEBRASKA
ONE HUNDRED EIGHTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 36

Introduced by DeBoer, 10.

Read first time January 05, 2023

Committee: Revenue

- 1 A BILL FOR AN ACT relating to revenue and taxation; to amend section
- 2 77-2715.03, Revised Statutes Cumulative Supplement, 2022; to change
- 3 individual income tax rates; and to repeal the original section.
- 4 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-2715.03, Revised Statutes Cumulative
2 Supplement, 2022, is amended to read:

3 77-2715.03 (1) For taxable years beginning or deemed to begin on or
4 after January 1, 2013, and before January 1, 2014, the following brackets
5 and rates are hereby established for the Nebraska individual income tax:

6 Individual Income Tax Brackets and Rates

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

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

20 Individual Income Tax Brackets and Rates

21 Bracket	Single	Married,	Head of	Married,	Estates	Tax
22 Number	Individuals	Filing	Household	Filing	and	Rate
		Jointly		Separate	Trusts	
24 1	\$0-2,999	\$0-5,999	\$0-5,599	\$0-2,999	\$0-499	2.46%
25 2	\$3,000-	\$6,000-	\$5,600-	\$3,000-	\$500-	
26	17,999	35,999	28,799	17,999	4,699	3.51%
27 <u>3</u>	<u>\$18,000-</u>	<u>\$36,000-</u>	<u>\$28,800-</u>	<u>\$18,000-</u>	<u>\$4,700-</u>	
28	<u>28,999</u>	<u>57,999</u>	<u>42,999</u>	<u>28,999</u>	<u>15,149</u>	<u>Rate 3</u>
29 <u>4</u>	<u>\$29,000</u>	<u>\$58,000</u>	<u>\$43,000</u>	<u>\$29,000</u>	<u>\$15,150</u>	
30	<u>and Over</u>	<u>and Over</u>	<u>and Over</u>	<u>and Over</u>	<u>and Over</u>	<u>Rate 4</u>

1	3	\$18,000	\$36,000	\$28,800	\$18,000	\$4,700	
2		28,999	57,999	42,999	28,999	15,149	5.01%
3	4	\$29,000	\$58,000	\$43,000	\$29,000	\$15,150	
4		and Over	and Over	and Over	and Over	and Over	Top Rate

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

6 (a) Rate 3 shall be:

7 (i) 5.01% for taxable years beginning or deemed to begin on or after
8 January 1, 2014, and before January 1, 2023;

9 (ii) 4.81% for taxable years beginning or deemed to begin on or
10 after January 1, 2023, and before January 1, 2024;

11 (iii) 4.61% for taxable years beginning or deemed to begin on or
12 after January 1, 2024, and before January 1, 2025;

13 (iv) 4.41% for taxable years beginning or deemed to begin on or
14 after January 1, 2025, and before January 1, 2026;

15 (v) 4.17% for taxable years beginning or deemed to begin on or after
16 January 1, 2026, and before January 1, 2027; and

17 (vi) 4.01% for taxable years beginning or deemed to begin on or
18 after January 1, 2027; and

19 (b) Rate 4 shall be:

20 (i) ~~(a)~~ 6.84% for taxable years beginning or deemed to begin on or
21 after January 1, 2014, and before January 1, 2023;

22 (ii) ~~(b)~~ 6.64% for taxable years beginning or deemed to begin on or
23 after January 1, 2023, and before January 1, 2024;

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

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

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

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

1 (3)(a) For taxable years beginning or deemed to begin on or after
2 January 1, 2015, the minimum and maximum dollar amounts for each income
3 tax bracket provided in subsection (2) of this section shall be adjusted
4 for inflation by the percentage determined under subdivision (3)(b) of
5 this section. The rate applicable to any such income tax bracket shall
6 not be changed as part of any adjustment under this subsection. The
7 minimum and maximum dollar amounts for each income tax bracket as
8 adjusted shall be rounded to the nearest ten-dollar amount. If the
9 adjusted amount for any income tax bracket ends in a five, it shall be
10 rounded up to the nearest ten-dollar amount.

11 (b)(i) For taxable years beginning or deemed to begin on or after
12 January 1, 2015, and before January 1, 2018, the Tax Commissioner shall
13 adjust the income tax brackets by the percentage determined pursuant to
14 the provisions of section 1(f) of the Internal Revenue Code of 1986, as
15 it existed prior to December 22, 2017, except that in section 1(f)(3)(B)
16 of the code the year 2013 shall be substituted for the year 1992. For
17 2015, the Tax Commissioner shall then determine the percent change from
18 the twelve months ending on August 31, 2013, to the twelve months ending
19 on August 31, 2014, and in each subsequent year, from the twelve months
20 ending on August 31, 2013, to the twelve months ending on August 31 of
21 the year preceding the taxable year. The Tax Commissioner shall prescribe
22 new tax rate schedules that apply in lieu of the schedules set forth in
23 subsection (2) of this section.

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

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

5 (5) The Tax Commissioner shall prepare, from the rate schedules, tax
6 tables which can be used by a majority of the taxpayers to determine
7 their Nebraska tax liability. The design of the tax tables shall be
8 determined by the Tax Commissioner. The size of the tax table brackets
9 may change as the level of income changes. The difference in tax between
10 two tax table brackets shall not exceed fifteen dollars. The Tax
11 Commissioner may build the personal exemption credit and standard
12 deduction amounts into the tax tables.

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

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

20 Sec. 2. Original section 77-2715.03, Revised Statutes Cumulative
21 Supplement, 2022, is repealed.