

AMENDMENTS TO LB939

Introduced by Revenue.

1 1. Strike the original sections and insert the following new
2 sections:

3 Section 1. Section 77-2715.03, Reissue Revised Statutes of Nebraska,
4 is amended to read:

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

8 Individual Income Tax Brackets and Rates

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

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

22 Individual Income Tax Brackets and Rates

23 Bracket	Single	Married,	Head of	Married,	Estates	Tax
24 Number	Individuals	Filing	Household	Filing	and	Rate
		Jointly		Separate	Trusts	
26 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	<u>4</u>	<u>\$29,000</u>	<u>\$58,000</u>	<u>\$43,000</u>	<u>\$29,000</u>	<u>\$15,150</u>	
6		<u>and Over</u>	<u>and Over</u>	<u>and Over</u>	<u>and Over</u>	<u>and Over</u>	<u>Top Rate</u>
7	4	\$29,000	\$58,000	\$43,000	\$29,000	\$15,150	
8		and Over	and Over	and Over	and Over	and Over	6.84%

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

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

12 (b) 6.34% for taxable years beginning or deemed to begin on or after
13 January 1, 2023, and before January 1, 2024;

14 (c) 6.14% for taxable years beginning or deemed to begin on or after
15 January 1, 2024, and before January 1, 2025; and

16 (d) 5.84% for taxable years beginning or deemed to begin on or after
17 January 1, 2025.

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

28 (b)(i) For taxable years beginning or deemed to begin on or after
29 January 1, 2015, and before January 1, 2018, the Tax Commissioner shall
30 adjust the income tax brackets by the percentage determined pursuant to

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

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

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

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

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

1 January 1, 2013, the tax rate applied to other federal taxes included in
2 the computation of the Nebraska individual income tax shall be 29.6
3 percent.

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

7 Sec. 2. Section 77-2734.02, Revised Statutes Supplement, 2021, is
8 amended to read:

9 77-2734.02 (1) Except as provided in subsection (2) of this section,
10 a tax is hereby imposed on the taxable income of every corporate taxpayer
11 that is doing business in this state:

12 (a) For taxable years beginning or deemed to begin before January 1,
13 2013, at a rate equal to one hundred fifty and eight-tenths percent of
14 the primary rate imposed on individuals under section 77-2701.01 on the
15 first one hundred thousand dollars of taxable income and at the rate of
16 two hundred eleven percent of such rate on all taxable income in excess
17 of one hundred thousand dollars. The resultant rates shall be rounded to
18 the nearest one hundredth of one percent;

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

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

29 (d) For taxable years beginning or deemed to begin on or after
30 January 1, 2023, and before January 1, 2024, at a rate equal to 5.58
31 percent on the first one hundred thousand dollars of taxable income and

1 at the rate of ~~7.00~~ 7.25 percent on all taxable income in excess of one
2 hundred thousand dollars; -

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

8 (f) For taxable years beginning or deemed to begin on or after
9 January 1, 2025, and before January 1, 2026, at a rate equal to 5.58
10 percent on the first one hundred thousand dollars of taxable income and
11 at the rate of 6.14 percent on all taxable income in excess of one
12 hundred thousand dollars; and

13 (g) For taxable years beginning or deemed to begin on or after
14 January 1, 2026, at a rate equal to 5.58 percent on the first one hundred
15 thousand dollars of taxable income and at the rate of 5.84 percent on all
16 taxable income in excess of one hundred thousand dollars.

17 ~~It is the intent of the Legislature to enact legislation after~~
18 ~~August 28, 2021, to lower the tax rate applicable to income in excess of~~
19 ~~one hundred thousand dollars to 7.00 percent for taxable years beginning~~
20 ~~or deemed to begin on or after January 1, 2024, and before January 1,~~
21 ~~2025, and to 6.84 percent for taxable years beginning or deemed to begin~~
22 ~~on or after January 1, 2025.~~

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

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

1 than Nebraska that imposes on Nebraska domiciled insurance companies a
2 retaliatory tax against the tax described in subsection (1) of this
3 section.

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

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

11 Sec. 3. Original section 77-2715.03, Reissue Revised Statutes of
12 Nebraska, and section 77-2734.02, Revised Statutes Supplement, 2021, are
13 repealed.