

AMENDMENTS TO LB919

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>Top Rate</u>				
7	<del>4</del>	<del>\$29,000</del>	<del>\$58,000</del>	<del>\$43,000</del>	<del>\$29,000</del>	<del>\$15,150</del>	
8		<del>and Over</del>	<del>6.84%</del>				

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

14 (c) 6.44% for taxable years beginning or deemed to begin on or after  
15 January 1, 2024, and before January 1, 2025;

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

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

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

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

1 rounded up to the nearest ten-dollar amount.

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

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

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

27 (5) The Tax Commissioner shall prepare, from the rate schedules, tax  
28 tables which can be used by a majority of the taxpayers to determine  
29 their Nebraska tax liability. The design of the tax tables shall be  
30 determined by the Tax Commissioner. The size of the tax table brackets  
31 may change as the level of income changes. The difference in tax between

1 two tax table brackets shall not exceed fifteen dollars. The Tax  
2 Commissioner may build the personal exemption credit and standard  
3 deduction amounts into the tax tables.

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

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

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

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

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

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

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

1 hundred thousand dollars;~~and~~

2 (d) For taxable years beginning or deemed to begin on or after  
3 January 1, 2023, and before January 1, 2024, at a rate equal to 5.58  
4 percent on the first one hundred thousand dollars of taxable income and  
5 at the rate of 7.25 percent on all taxable income in excess of one  
6 hundred thousand dollars; ~~-~~

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

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

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

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

26 ~~It is the intent of the Legislature to enact legislation after~~  
27 ~~August 28, 2021, to lower the tax rate applicable to income in excess of~~  
28 ~~one hundred thousand dollars to 7.00 percent for taxable years beginning~~  
29 ~~or deemed to begin on or after January 1, 2024, and before January 1,~~  
30 ~~2025, and to 6.84 percent for taxable years beginning or deemed to begin~~  
31 ~~on or after January 1, 2025.~~

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

5 (2) An insurance company shall be subject to taxation at the lesser  
6 of the rate described in subsection (1) of this section or the rate of  
7 tax imposed by the state or country in which the insurance company is  
8 domiciled if the insurance company can establish to the satisfaction of  
9 the Tax Commissioner that it is domiciled in a state or country other  
10 than Nebraska that imposes on Nebraska domiciled insurance companies a  
11 retaliatory tax against the tax described in subsection (1) of this  
12 section.

13 (3) For a corporate taxpayer that is subject to tax in another  
14 state, its taxable income shall be the portion of the taxpayer's federal  
15 taxable income, as adjusted, that is determined to be connected with the  
16 taxpayer's operations in this state pursuant to sections 77-2734.05 to  
17 77-2734.15.

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

20 Sec. 3. Section 77-6701, Revised Statutes Cumulative Supplement,  
21 2020, is amended to read:

22 77-6701 Sections 77-6701 to 77-6705 and section 6 of this act shall  
23 be known and may be cited as the Nebraska Property Tax Incentive Act.

24 Sec. 4. Section 77-6702, Revised Statutes Cumulative Supplement,  
25 2020, is amended to read:

26 77-6702 For purposes of the Nebraska Property Tax Incentive Act:

27 (1) Allowable growth percentage means the percentage increase, if  
28 any, in the total assessed value of all real property in the state from  
29 the prior year to the current year, as determined by the department,  
30 except that in no case shall the allowable growth percentage exceed five  
31 percent in any one year;

1        (2) Community college taxes means property taxes levied on real  
2 property in this state by a community college area, excluding any  
3 property taxes levied for bonded indebtedness and any property taxes  
4 levied as a result of an override of limits on property tax levies  
5 approved by voters pursuant to section 77-3444;

6        (3) (2) Department means the Department of Revenue;

7        (4) (3) Eligible taxpayer means any individual, corporation,  
8 partnership, limited liability company, trust, estate, or other entity  
9 that pays school district taxes or community college taxes during a  
10 taxable year; and

11        (5) (4) School district taxes means property taxes levied on real  
12 property in this state by a school district or multiple-district school  
13 system, excluding any property taxes levied for bonded indebtedness and  
14 any property taxes levied as a result of an override of limits on  
15 property tax levies approved by voters pursuant to section 77-3444.

16        Sec. 5. Section 77-6703, Revised Statutes Supplement, 2021, is  
17 amended to read:

18        77-6703 (1) For taxable years beginning or deemed to begin on or  
19 after January 1, 2020, under the Internal Revenue Code of 1986, as  
20 amended, there shall be allowed to each eligible taxpayer a refundable  
21 credit against the income tax imposed by the Nebraska Revenue Act of 1967  
22 or against the franchise tax imposed by sections 77-3801 to 77-3807. The  
23 credit shall be equal to the credit percentage for the taxable year, as  
24 set by the department under subsection (2) of this section, multiplied by  
25 the amount of school district taxes paid by the eligible taxpayer during  
26 such taxable year.

27        (2)(a) For taxable years beginning or deemed to begin during  
28 calendar year 2020, the department shall set the credit percentage so  
29 that the total amount of credits for such taxable years shall be one  
30 hundred twenty-five million dollars;

31        (b) For taxable years beginning or deemed to begin during calendar

1 year 2021, the department shall set the credit percentage so that the  
2 total amount of credits for such taxable years shall be one hundred  
3 twenty-five million dollars plus either (i) the amount calculated for  
4 such calendar year under subdivision (3)(b)(ii)(B) of section 77-4602 or  
5 (ii) the amount calculated for such calendar year under subdivision (3)  
6 (c)(ii)(B) of section 77-4602, whichever is applicable;

7 (c) For taxable years beginning or deemed to begin during calendar  
8 year 2022, the department shall set the credit percentage so that the  
9 total amount of credits for such taxable years shall be five hundred  
10 forty-eight million dollars ~~the maximum amount of credits allowed under~~  
11 ~~subdivision (2)(b) of this section plus either (i) the amount calculated~~  
12 ~~for such calendar year under subdivision (3)(b)(ii)(B) of section 77-4602~~  
13 ~~or (ii) the amount calculated for such calendar year under subdivision~~  
14 ~~(3)(c)(ii)(B) of section 77-4602, whichever is applicable;~~

15 (d) For taxable years beginning or deemed to begin during calendar  
16 year 2023, the department shall set the credit percentage so that the  
17 total amount of credits for such taxable years shall be five hundred  
18 sixty million seven hundred thousand dollars ~~the maximum amount of~~  
19 ~~credits allowed under subdivision (2)(c) of this section plus either (i)~~  
20 ~~the amount calculated for such calendar year under subdivision (3)(b)(ii)~~  
21 ~~(B) of section 77-4602 or (ii) the amount calculated for such calendar~~  
22 ~~year under subdivision (3)(c)(ii)(B) of section 77-4602, whichever is~~  
23 ~~applicable; and~~

24 ~~(e) For taxable years beginning or deemed to begin during calendar~~  
25 ~~year 2024, the department shall set the credit percentage so that the~~  
26 ~~total amount of credits for such taxable years shall be three hundred~~  
27 ~~seventy-five million dollars; and~~

28 (e) (f) For taxable years beginning or deemed to begin during  
29 calendar year 2024 ~~2025~~ and each calendar year thereafter, the department  
30 shall set the credit percentage so that the total amount of credits for  
31 such taxable years shall be the maximum amount of credits allowed in the

1 prior year increased by the allowable growth percentage.

2 (3) If the school district taxes are paid by a corporation having an  
3 election in effect under subchapter S of the Internal Revenue Code, a  
4 partnership, a limited liability company, a trust, or an estate, the  
5 amount of school district taxes paid during the taxable year may be  
6 allocated to the shareholders, partners, members, or beneficiaries in the  
7 same proportion that income is distributed for taxable years beginning or  
8 deemed to begin before January 1, 2021, under the Internal Revenue Code  
9 of 1986, as amended. The department shall provide forms and schedules  
10 necessary for verifying eligibility for the credit provided in this  
11 section and for allocating the school district taxes paid. For taxable  
12 years beginning or deemed to begin on or after January 1, 2021, under the  
13 Internal Revenue Code of 1986, as amended, the refundable credit shall be  
14 claimed by the corporation having an election in effect under subchapter  
15 S of the Internal Revenue Code, the partnership, the limited liability  
16 company, the trust, or the estate that paid the school district taxes.

17 (4) For any fiscal year or short year taxpayer, the credit may be  
18 claimed in the first taxable year that begins following the calendar year  
19 for which the credit percentage was determined. The credit shall be taken  
20 for the school district taxes paid by the taxpayer during the immediately  
21 preceding calendar year.

22 (5) For the first taxable year beginning or deemed to begin on or  
23 after January 1, 2021, and before January 1, 2022, under the Internal  
24 Revenue Code of 1986, as amended, for a corporation having an election in  
25 effect under subchapter S of the Internal Revenue Code, a partnership, a  
26 limited liability company, a trust, or an estate that paid school  
27 district taxes in calendar year 2020 but did not claim the credit  
28 directly or allocate such school district taxes to the shareholders,  
29 partners, members, or beneficiaries as permitted under subsection (3) of  
30 this section, there shall be allowed an additional refundable credit.  
31 This credit shall be equal to six percent, multiplied by the amount of

1 school district taxes paid during 2020 by the eligible taxpayer.

2       Sec. 6. (1) For taxable years beginning or deemed to begin on or  
3 after January 1, 2022, under the Internal Revenue Code of 1986, as  
4 amended, there shall be allowed to each eligible taxpayer a refundable  
5 credit against the income tax imposed by the Nebraska Revenue Act of 1967  
6 or against the franchise tax imposed by sections 77-3801 to 77-3807. The  
7 credit shall be equal to the credit percentage for the taxable year, as  
8 set by the department under subsection (2) of this section, multiplied by  
9 the amount of community college taxes paid by the eligible taxpayer  
10 during such taxable year.

11       (2)(a) For taxable years beginning or deemed to begin during  
12 calendar year 2022, the department shall set the credit percentage so  
13 that the total amount of credits for such taxable years shall be fifty  
14 million dollars;

15       (b) For taxable years beginning or deemed to begin during calendar  
16 year 2023, the department shall set the credit percentage so that the  
17 total amount of credits for such taxable years shall be one hundred  
18 million dollars;

19       (c) For taxable years beginning or deemed to begin during calendar  
20 year 2024, the department shall set the credit percentage so that the  
21 total amount of credits for such taxable years shall be one hundred  
22 twenty-five million dollars;

23       (d) For taxable years beginning or deemed to begin during calendar  
24 year 2025, the department shall set the credit percentage so that the  
25 total amount of credits for such taxable years shall be one hundred fifty  
26 million dollars;

27       (e) For taxable years beginning or deemed to begin during calendar  
28 year 2026, the department shall set the credit percentage so that the  
29 total amount of credits for such taxable years shall be one hundred  
30 ninety-five million dollars; and

31       (f) For taxable years beginning or deemed to begin during calendar

1 year 2027 and each calendar year thereafter, the department shall set the  
2 credit percentage so that the total amount of credits for such taxable  
3 years shall be the maximum amount of credits allowed in the prior year  
4 increased by the allowable growth percentage.

5 (3) If the community college taxes are paid by a corporation having  
6 an election in effect under subchapter S of the Internal Revenue Code, a  
7 partnership, a limited liability company, a trust, or an estate, the  
8 refundable credit shall be claimed by such corporation, partnership,  
9 limited liability company, trust, or estate.

10 (4) For any fiscal year or short year taxpayer, the credit may be  
11 claimed in the first taxable year that begins following the calendar year  
12 for which the credit percentage was determined. The credit shall be taken  
13 for the community college taxes paid by the taxpayer during the  
14 immediately preceding calendar year.

15 Sec. 7. Original section 77-2715.03, Reissue Revised Statutes of  
16 Nebraska, sections 77-6701 and 77-6702, Revised Statutes Cumulative  
17 Supplement, 2020, and sections 77-2734.02 and 77-6703, Revised Statutes  
18 Supplement, 2021, are repealed.