

LEGISLATURE OF NEBRASKA
ONE HUNDRED SEVENTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 939

Introduced by Linehan, 39.

Read first time January 10, 2022

Committee: Revenue

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

1 Section 1. Section 77-2715.03, Reissue Revised Statutes of Nebraska,
2 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 3	\$18,000-	\$36,000-	\$28,800-	\$18,000-	\$4,700-	
28	28,999	57,999	42,999	28,999	15,149	5.01%
29 4	<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>Top Rate</u>

1 4 ~~\$29,000~~ ~~\$58,000~~ ~~\$43,000~~ ~~\$29,000~~ ~~\$15,150~~
2 ~~and Over~~ ~~and Over~~ ~~and Over~~ ~~and Over~~ ~~and Over~~ ~~6.84%~~

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

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

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

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

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

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

22 (b)(i) For taxable years beginning or deemed to begin on or after
23 January 1, 2015, and before January 1, 2018, the Tax Commissioner shall
24 adjust the income tax brackets by the percentage determined pursuant to
25 the provisions of section 1(f) of the Internal Revenue Code of 1986, as
26 it existed prior to December 22, 2017, except that in section 1(f)(3)(B)
27 of the code the year 2013 shall be substituted for the year 1992. For
28 2015, the Tax Commissioner shall then determine the percent change from
29 the twelve months ending on August 31, 2013, to the twelve months ending
30 on August 31, 2014, and in each subsequent year, from the twelve months
31 ending on August 31, 2013, to the twelve months ending on August 31 of

1 the year preceding the taxable year. The Tax Commissioner shall prescribe
2 new tax rate schedules that apply in lieu of the schedules set forth in
3 subsection (2) of this section.

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

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

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

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

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

31 Sec. 2. Original section 77-2715.03, Reissue Revised Statutes of

1 Nebraska, is repealed.