

One Hundred Seventh Legislature - Second Session - 2022

Introducer's Statement of Intent

LB827

Chairperson: Senator Lou Ann Linehan

Committee: Revenue

Date of Hearing: February 23, 2022

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

The Tax Cuts and Jobs Act of 2017 temporarily eliminated the factory tax by allowing full expensing for investments in business machinery and equipment. This provision will expire beginning January 1, 2023. LB 827 decouples from the federal tax code to allow full expensing to continue under Nebraska law.

The Tax Cuts and Jobs Act also changes the research and experimentation (R&E) deduction to being amortized over a 5-year period beginning January 1, 2022. LB 827 decouples from the federal tax code to allow these expenses to be immediately and fully deductible from business income under Nebraska law.

Principal Introducer: _____

Senator Brett Lindstrom