

AMENDMENTS TO LB958

(Amendments to Standing Committee amendments, AM2717)

Introduced by Smith, 14.

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

3 Section 1. Section 77-2715.03, Revised Statutes Cumulative
4 Supplement, 2014, 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
11		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, and before January 1, 2017, the following brackets and
21 rates are hereby established 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
25		Jointly		Separate	Trusts	

1	1	\$0-2,999	\$0-5,999	\$0-5,599	\$0-2,999	\$0-499	2.46%
2	2	\$3,000-	\$6,000-	\$5,600-	\$3,000-	\$500-	
3		17,999	35,999	28,799	17,999	4,699	3.51%
4	3	\$18,000-	\$36,000-	\$28,800-	\$18,000-	\$4,700-	
5		28,999	57,999	42,999	28,999	15,149	5.01%
6	4	\$29,000	\$58,000	\$43,000	\$29,000	\$15,150	
7		and Over	and Over	and Over	and Over	and Over	6.84%

8 (3)(a) For taxable years beginning or deemed to begin on or after
9 January 1, 2015, and before January 1, 2017, the minimum and maximum
10 dollar amounts for each income tax bracket provided in subsection (2) of
11 this section shall be adjusted for inflation by the percentage determined
12 under subdivision (3)(b) of this section. The rate applicable to any such
13 income tax bracket shall not be changed as part of any adjustment under
14 this subsection. The minimum and maximum dollar amounts for each income
15 tax bracket as adjusted shall be rounded to the nearest ten-dollar
16 amount. If the adjusted amount for any income tax bracket ends in a five,
17 it shall be rounded up to the nearest ten-dollar amount.

18 (b) The Tax Commissioner shall adjust the income tax brackets by the
19 percentage determined pursuant to the provisions of section 1(f) of the
20 Internal Revenue Code of 1986, as amended, except that in section 1(f)(3)
21 (B) of the code the year 2013 shall be substituted for the year 1992. For
22 2015, the Tax Commissioner shall then determine the percent change from
23 the twelve months ending on August 31, 2013, to the twelve months ending
24 on August 31, 2014, and in each subsequent year, from the twelve months
25 ending on August 31, 2013, to the twelve months ending on August 31 of
26 the year preceding the taxable year. The Tax Commissioner shall prescribe
27 new tax rate schedules that apply in lieu of the schedules set forth in
28 subsection (2) of this section.

29 (4) For taxable years beginning or deemed to begin on or after
30 January 1, 2017, and before January 1, 2018, the following brackets and

1 rates are hereby established for the Nebraska individual income tax:

2 Individual Income Tax Brackets and Rates

3 <u>Bracket</u>	<u>Single</u>	<u>Married,</u>	<u>Head of</u>	<u>Married,</u>	<u>Estates</u>	<u>Tax</u>
4 <u>Number</u>	<u>Individuals</u>	<u>Filing</u>	<u>Household</u>	<u>Filing</u>	<u>and</u>	<u>Rate</u>
5		<u>Jointly</u>		<u>Separate</u>	<u>Trusts</u>	
6 <u>1</u>	<u>\$0-2,999</u>	<u>\$0-5,999</u>	<u>\$0-5,599</u>	<u>\$0-2,999</u>	<u>\$0-499</u>	<u>2.41%</u>
7 <u>2</u>	<u>\$3,000-</u>	<u>\$6,000-</u>	<u>\$5,600-</u>	<u>\$3,000-</u>	<u>\$500-</u>	
8	<u>17,999</u>	<u>35,999</u>	<u>28,799</u>	<u>17,999</u>	<u>4,699</u>	<u>3.44%</u>
9 <u>3</u>	<u>\$18,000-</u>	<u>\$36,000-</u>	<u>\$28,800-</u>	<u>\$18,000-</u>	<u>\$4,700-</u>	
10	<u>28,999</u>	<u>57,999</u>	<u>42,999</u>	<u>28,999</u>	<u>15,149</u>	<u>4.90%</u>
11 <u>4</u>	<u>\$29,000</u>	<u>\$58,000</u>	<u>\$43,000</u>	<u>\$29,000</u>	<u>\$15,150</u>	
12	<u>and Over</u>	<u>and Over</u>	<u>and Over</u>	<u>and Over</u>	<u>and Over</u>	<u>6.70%</u>

13 (5) For taxable years beginning or deemed to begin on or after
 14 January 1, 2018, and before January 1, 2019, the following brackets and
 15 rates are hereby established for the Nebraska individual income tax:

16 Individual Income Tax Brackets and Rates

17 <u>Bracket</u>	<u>Single</u>	<u>Married,</u>	<u>Head of</u>	<u>Married,</u>	<u>Estates</u>	<u>Tax</u>
18 <u>Number</u>	<u>Individuals</u>	<u>Filing</u>	<u>Household</u>	<u>Filing</u>	<u>and</u>	<u>Rate</u>
19		<u>Jointly</u>		<u>Separate</u>	<u>Trusts</u>	
20 <u>1</u>	<u>\$0-2,999</u>	<u>\$0-5,999</u>	<u>\$0-5,599</u>	<u>\$0-2,999</u>	<u>\$0-499</u>	<u>2.36%</u>
21 <u>2</u>	<u>\$3,000-</u>	<u>\$6,000-</u>	<u>\$5,600-</u>	<u>\$3,000-</u>	<u>\$500-</u>	
22	<u>17,999</u>	<u>35,999</u>	<u>28,799</u>	<u>17,999</u>	<u>4,699</u>	<u>3.36%</u>
23 <u>3</u>	<u>\$18,000-</u>	<u>\$36,000-</u>	<u>\$28,800-</u>	<u>\$18,000-</u>	<u>\$4,700-</u>	
24	<u>28,999</u>	<u>57,999</u>	<u>42,999</u>	<u>28,999</u>	<u>15,149</u>	<u>4.80%</u>
25 <u>4</u>	<u>\$29,000</u>	<u>\$58,000</u>	<u>\$43,000</u>	<u>\$29,000</u>	<u>\$15,150</u>	
26	<u>and Over</u>	<u>and Over</u>	<u>and Over</u>	<u>and Over</u>	<u>and Over</u>	<u>6.55%</u>

27 (6) For taxable years beginning or deemed to begin on or after
 28 January 1, 2019, and before January 1, 2020, except as otherwise adjusted
 29 under subsection (10) of this section, the following brackets and rates

1 are hereby established for the Nebraska individual income tax:

2 Individual Income Tax Brackets and Rates

3 <u>Bracket</u>	<u>Single</u>	<u>Married,</u>	<u>Head of</u>	<u>Married,</u>	<u>Estates</u>	<u>Tax</u>
4 <u>Number</u>	<u>Individuals</u>	<u>Filing</u>	<u>Household</u>	<u>Filing</u>	<u>and</u>	<u>Rate</u>
5		<u>Jointly</u>		<u>Separate</u>	<u>Trusts</u>	
6 <u>1</u>	<u>\$0-2,999</u>	<u>\$0-5,999</u>	<u>\$0-5,599</u>	<u>\$0-2,999</u>	<u>\$0-499</u>	<u>2.31%</u>
7 <u>2</u>	<u>\$3,000-</u>	<u>\$6,000-</u>	<u>\$5,600-</u>	<u>\$3,000-</u>	<u>\$500-</u>	
8	<u>17,999</u>	<u>35,999</u>	<u>28,799</u>	<u>17,999</u>	<u>4,699</u>	<u>3.29%</u>
9 <u>3</u>	<u>\$18,000-</u>	<u>\$36,000-</u>	<u>\$28,800-</u>	<u>\$18,000-</u>	<u>\$4,700-</u>	
10	<u>28,999</u>	<u>57,999</u>	<u>42,999</u>	<u>28,999</u>	<u>15,149</u>	<u>4.69%</u>
11 <u>4</u>	<u>\$29,000</u>	<u>\$58,000</u>	<u>\$43,000</u>	<u>\$29,000</u>	<u>\$15,150</u>	
12	<u>and Over</u>	<u>and Over</u>	<u>and Over</u>	<u>and Over</u>	<u>and Over</u>	<u>6.41%</u>

13 (7) For taxable years beginning or deemed to begin on or after
 14 January 1, 2020, and before January 1, 2021, except as otherwise adjusted
 15 under subsection (10) of this section, the following brackets and rates
 16 are hereby established for the Nebraska individual income tax:

17 Individual Income Tax Brackets and Rates

18 <u>Bracket</u>	<u>Single</u>	<u>Married,</u>	<u>Head of</u>	<u>Married,</u>	<u>Estates</u>	<u>Tax</u>
19 <u>Number</u>	<u>Individuals</u>	<u>Filing</u>	<u>Household</u>	<u>Filing</u>	<u>and</u>	<u>Rate</u>
20		<u>Jointly</u>		<u>Separate</u>	<u>Trusts</u>	
21 <u>1</u>	<u>\$0-2,999</u>	<u>\$0-5,999</u>	<u>\$0-5,599</u>	<u>\$0-2,999</u>	<u>\$0-499</u>	<u>2.25%</u>
22 <u>2</u>	<u>\$3,000-</u>	<u>\$6,000-</u>	<u>\$5,600-</u>	<u>\$3,000-</u>	<u>\$500-</u>	
23	<u>17,999</u>	<u>35,999</u>	<u>28,799</u>	<u>17,999</u>	<u>4,699</u>	<u>3.21%</u>
24 <u>3</u>	<u>\$18,000-</u>	<u>\$36,000-</u>	<u>\$28,800-</u>	<u>\$18,000-</u>	<u>\$4,700-</u>	
25	<u>28,999</u>	<u>57,999</u>	<u>42,999</u>	<u>28,999</u>	<u>15,149</u>	<u>4.58%</u>
26 <u>4</u>	<u>\$29,000</u>	<u>\$58,000</u>	<u>\$43,000</u>	<u>\$29,000</u>	<u>\$15,150</u>	
27	<u>and Over</u>	<u>and Over</u>	<u>and Over</u>	<u>and Over</u>	<u>and Over</u>	<u>6.27%</u>

28 (8) For taxable years beginning or deemed to begin on or after
 29 January 1, 2021, and before January 1, 2022, except as otherwise adjusted

1 under subsection (10) of this section, the following brackets and rates
 2 are hereby established for the Nebraska individual income tax:

3 Individual Income Tax Brackets and Rates

4	<u>Bracket</u>	<u>Single</u>	<u>Married,</u>	<u>Head of</u>	<u>Married,</u>	<u>Estates</u>	<u>Tax</u>
5	<u>Number</u>	<u>Individuals</u>	<u>Filing</u>	<u>Household</u>	<u>Filing</u>	<u>and</u>	<u>Rate</u>
6			<u>Jointly</u>		<u>Separate</u>	<u>Trusts</u>	
7	<u>1</u>	<u>\$0-2,999</u>	<u>\$0-5,999</u>	<u>\$0-5,599</u>	<u>\$0-2,999</u>	<u>\$0-499</u>	<u>2.20%</u>
8	<u>2</u>	<u>\$3,000-</u>	<u>\$6,000-</u>	<u>\$5,600-</u>	<u>\$3,000-</u>	<u>\$500-</u>	
9		<u>17,999</u>	<u>35,999</u>	<u>28,799</u>	<u>17,999</u>	<u>4,699</u>	<u>3.14%</u>
10	<u>3</u>	<u>\$18,000-</u>	<u>\$36,000-</u>	<u>\$28,800-</u>	<u>\$18,000-</u>	<u>\$4,700-</u>	
11		<u>28,999</u>	<u>57,999</u>	<u>42,999</u>	<u>28,999</u>	<u>15,149</u>	<u>4.48%</u>
12	<u>4</u>	<u>\$29,000</u>	<u>\$58,000</u>	<u>\$43,000</u>	<u>\$29,000</u>	<u>\$15,150</u>	
13		<u>and Over</u>	<u>and Over</u>	<u>and Over</u>	<u>and Over</u>	<u>and Over</u>	<u>6.12%</u>

14 (9) For taxable years beginning or deemed to begin on or after
 15 January 1, 2022, except as otherwise adjusted under subsection (10) of
 16 this section, the following brackets and rates are hereby established for
 17 the Nebraska individual income tax:

18 Individual Income Tax Brackets and Rates

19	<u>Bracket</u>	<u>Single</u>	<u>Married,</u>	<u>Head of</u>	<u>Married,</u>	<u>Estates</u>	<u>Tax</u>
20	<u>Number</u>	<u>Individuals</u>	<u>Filing</u>	<u>Household</u>	<u>Filing</u>	<u>and</u>	<u>Rate</u>
21			<u>Jointly</u>		<u>Separate</u>	<u>Trusts</u>	
22	<u>1</u>	<u>\$0-2,999</u>	<u>\$0-5,999</u>	<u>\$0-5,599</u>	<u>\$0-2,999</u>	<u>\$0-499</u>	<u>2.15%</u>
23	<u>2</u>	<u>\$3,000-</u>	<u>\$6,000-</u>	<u>\$5,600-</u>	<u>\$3,000-</u>	<u>\$500-</u>	
24		<u>17,999</u>	<u>35,999</u>	<u>28,799</u>	<u>17,999</u>	<u>4,699</u>	<u>3.06%</u>
25	<u>3</u>	<u>\$18,000-</u>	<u>\$36,000-</u>	<u>\$28,800-</u>	<u>\$18,000-</u>	<u>\$4,700-</u>	
26		<u>28,999</u>	<u>57,999</u>	<u>42,999</u>	<u>28,999</u>	<u>15,149</u>	<u>4.37%</u>
27	<u>4</u>	<u>\$29,000</u>	<u>\$58,000</u>	<u>\$43,000</u>	<u>\$29,000</u>	<u>\$15,150</u>	
28		<u>and Over</u>	<u>and Over</u>	<u>and Over</u>	<u>and Over</u>	<u>and Over</u>	<u>5.98%</u>

29 (10) For taxable years beginning or deemed to begin on or after

1 January 1, 2019, and before January 1, 2023, the Tax Commissioner shall
2 by May 31 of such taxable year confirm or adjust the rates to be used for
3 such taxable year for the Nebraska individual income tax as follows:

4 (a) If, as of such May 31, the projected General Fund net receipts
5 for the upcoming fiscal year are not projected to be sufficient to fund
6 appropriations equal to the three percent trendline for such fiscal year,
7 then such portion of the tax rate reduction set forth in this section, as
8 determined by the Tax Commissioner, for such taxable year shall
9 proportionately not occur to the extent necessary to enable projected
10 General Fund net receipts for the upcoming fiscal year to be sufficient
11 to fund appropriations at least equal to the three percent trendline for
12 such fiscal year. The three percent trendline for a fiscal year shall
13 mean the total General Fund appropriations by the Legislature for the
14 fiscal year ending June 30, 2019, increased each fiscal year thereafter
15 by three percent; and

16 (b) To the extent that actual General Fund net receipts for a fiscal
17 year are less than the General Fund net receipts projected to occur when
18 the tax rate reduction for a taxable year was determined pursuant to this
19 subsection and such tax rate reduction is the sole and direct cause of
20 the Cash Reserve Fund falling below five hundred million dollars at the
21 end of such fiscal year, then such Cash Reserve Fund shortfall amount
22 shall be recouped into the Cash Reserve Fund by subtracting such
23 shortfall amount from the next forecast of projected General Fund net
24 receipts used to confirm or adjust tax rates pursuant to this subsection.

25 (11 4) Whenever the tax brackets or tax rates are changed by the
26 Legislature, the Tax Commissioner shall update the tax rate schedules to
27 reflect the new tax brackets or tax rates and shall publish such updated
28 schedules.

29 (12 5) The Tax Commissioner shall prepare, from the rate schedules,
30 tax tables which can be used by a majority of the taxpayers to determine
31 their Nebraska tax liability. The design of the tax tables shall be

1 determined by the Tax Commissioner. The size of the tax table brackets
2 may change as the level of income changes. The difference in tax between
3 two tax table brackets shall not exceed fifteen dollars. The Tax
4 Commissioner may build the personal exemption credit and standard
5 deduction amounts into the tax tables.

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

10 (14 7) The Tax Commissioner may require by rule and regulation that
11 all taxpayers shall use the tax tables if their income is less than the
12 maximum income included in the tax tables.

13 Sec. 2. Section 77-2734.02, Revised Statutes Cumulative Supplement,
14 2014, is amended to read:

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

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

25 (b) For taxable years beginning or deemed to begin on or after
26 January 1, 2013, and before January 1, 2017, at a rate equal to 5.58
27 percent on the first one hundred thousand dollars of taxable income and
28 at the rate of 7.81 percent on all taxable income in excess of one
29 hundred thousand dollars; ~~and~~

30 (c) For taxable years beginning or deemed to begin on or after
31 January 1, 2017, and before January 1, 2018, at a rate equal to 4.90

1 percent on the first one hundred thousand dollars of taxable income and
2 at the rate of 6.70 percent on all taxable income in excess of one
3 hundred thousand dollars;

4 (d) For taxable years beginning or deemed to begin on or after
5 January 1, 2018, and before January 1, 2019, at a rate equal to 4.80
6 percent on the first one hundred thousand dollars of taxable income and
7 at the rate of 6.55 percent on all taxable income in excess of one
8 hundred thousand dollars;

9 (e) For taxable years beginning or deemed to begin on or after
10 January 1, 2019, and before January 1, 2020, at a rate equal to 4.69
11 percent on the first one hundred thousand dollars of taxable income and
12 at the rate of 6.41 percent on all taxable income in excess of one
13 hundred thousand dollars;

14 (f) For taxable years beginning or deemed to begin on or after
15 January 1, 2020, and before January 1, 2021, at a rate equal to 4.58
16 percent on the first one hundred thousand dollars of taxable income and
17 at the rate of 6.27 percent on all taxable income in excess of one
18 hundred thousand dollars;

19 (g) For taxable years beginning or deemed to begin on or after
20 January 1, 2021, and before January 1, 2022, at a rate equal to 4.48
21 percent on the first one hundred thousand dollars of taxable income and
22 at the rate of 6.12 percent on all taxable income in excess of one
23 hundred thousand dollars; and

24 (h) For taxable years beginning or deemed to begin on or after
25 January 1, 2022, at a rate equal to 4.37 percent on the first one hundred
26 thousand dollars of taxable income and at the rate of 5.98 percent on all
27 taxable income in excess of one hundred thousand dollars.

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

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

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

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

16 Sec. 3. Original sections 77-2715.03 and 77-2734.02, Revised
17 Statutes Cumulative Supplement, 2014, are repealed.