

AMENDMENTS TO LB461

(Amendments to Standing Committee amendments, AM954)

Introduced by Wayne, 13.

1           1. Strike sections 15, 21, and 26 and insert the following new  
2 sections:

3           Sec. 15. Section 77-1116, Revised Statutes Cumulative Supplement,  
4 2016, is amended to read:

5           77-1116 (1) A qualified community development entity that seeks to  
6 have an equity investment or long-term debt security designated as a  
7 qualified equity investment and eligible for tax credits under the New  
8 Markets Job Growth Investment Act shall apply to the Tax Commissioner.  
9 There shall be no new applications for such designation filed under this  
10 section after December 31, 2022.

11           (2) The qualified community development entity shall submit an  
12 application on a form that the Tax Commissioner provides that includes:

13           (a) Evidence of the entity's certification as a qualified community  
14 development entity, including evidence of the service area of the entity  
15 that includes this state;

16           (b) A copy of the allocation agreement executed by the entity, or  
17 its controlling entity, and the Community Development Financial  
18 Institutions Fund referred to in section 77-1109. For applications  
19 submitted on or after the operative date of this section, the allocation  
20 agreement must satisfy the requirements of subsection (8) of this  
21 section;

22           (c) A certificate executed by an executive officer of the entity  
23 attesting that the allocation agreement remains in effect and has not  
24 been revoked or canceled by the Community Development Financial  
25 Institutions Fund referred to in section 77-1109;

26           (d) A description of the proposed amount, structure, and purchaser

1 of the equity investment or long-term debt security;

2 (e) Identifying information for any taxpayer eligible to utilize tax  
3 credits earned as a result of the issuance of the qualified equity  
4 investment;

5 (f) Information regarding the proposed use of proceeds from the  
6 issuance of the qualified equity investment; and

7 (g) A nonrefundable application fee of five thousand dollars.

8 (3) Within thirty days after receipt of a completed application  
9 containing the information necessary for the Tax Commissioner to certify  
10 a potential qualified equity investment, including the payment of the  
11 application fee, the Tax Commissioner shall grant or deny the application  
12 in full or in part. If the Tax Commissioner denies any part of the  
13 application, the Tax Commissioner shall inform the qualified community  
14 development entity of the grounds for the denial. If the qualified  
15 community development entity provides any additional information required  
16 by the Tax Commissioner or otherwise completes its application within  
17 fifteen days after the notice of denial, the application shall be  
18 considered completed as of the original date of submission. If the  
19 qualified community development entity fails to provide the information  
20 or complete its application within the fifteen-day period, the  
21 application remains denied and must be resubmitted in full with a new  
22 submission date.

23 (4) If the application is deemed complete, the Tax Commissioner  
24 shall certify the proposed equity investment or long-term debt security  
25 as a qualified equity investment that is eligible for tax credits,  
26 subject to the limitations contained in section 77-1115. The Tax  
27 Commissioner shall provide written notice of the certification to the  
28 qualified community development entity. The notice shall include the  
29 names of those taxpayers who are eligible to utilize the credits and  
30 their respective credit amounts. If the names of the taxpayers who are  
31 eligible to utilize the credits change due to a transfer of a qualified

1 equity investment or a change in an allocation pursuant to section  
2 77-1114, the qualified community development entity shall notify the Tax  
3 Commissioner of such change.

4 (5) The Tax Commissioner shall certify qualified equity investments  
5 in the order applications are received. Applications received on the same  
6 day shall be deemed to have been received simultaneously. For  
7 applications received on the same day and deemed complete, the Tax  
8 Commissioner shall certify, consistent with remaining tax credit  
9 capacity, qualified equity investments in proportionate percentages based  
10 upon the ratio of the amount of qualified equity investment requested in  
11 an application to the total amount of qualified equity investments  
12 requested in all applications received on the same day.

13 (6) Once the Tax Commissioner has certified qualified equity  
14 investments that, on a cumulative basis, are eligible for the maximum  
15 limitation contained in section 77-1115, the Tax Commissioner may not  
16 certify any more qualified equity investments for that fiscal year. If a  
17 pending request cannot be fully certified, the Tax Commissioner shall  
18 certify the portion that may be certified unless the qualified community  
19 development entity elects to withdraw its request rather than receive  
20 partial credit.

21 (7) Within thirty days after receiving notice of certification, the  
22 qualified community development entity shall issue the qualified equity  
23 investment and receive cash in the amount of the certified amount. The  
24 qualified community development entity shall provide the Tax Commissioner  
25 with evidence of the receipt of the cash investment within ten business  
26 days after receipt. If the qualified community development entity does  
27 not receive the cash investment and issue the qualified equity investment  
28 within thirty days after receipt of the certification notice, the  
29 certification shall lapse and the entity may not issue the qualified  
30 equity investment without reapplying to the Tax Commissioner for  
31 certification. A certification that lapses reverts back to the Tax

1 Commissioner and may be reissued only in accordance with the application  
2 process outlined in this section.

3 (8) For applications submitted on or after the operative date of  
4 this section, the qualified community development entity or its  
5 controlling entity shall have entered into an allocation agreement with  
6 the Community Development Financial Institutions Fund of the United  
7 States Department of the Treasury with respect to the combined calendar  
8 year 2015 and 2016 allocation of credits authorized by section 45D of the  
9 Internal Revenue Code of 1986, as amended, in order to be eligible for  
10 certification of a proposed equity investment or long-term debt security  
11 as a qualified equity investment that is eligible for tax credits.

12 Sec. 21. Section 77-2715.03, Revised Statutes Cumulative Supplement,  
13 2016, is amended to read:

14 77-2715.03 (1) For taxable years beginning or deemed to begin on or  
15 after January 1, 2013, and before January 1, 2014, the following brackets  
16 and rates are hereby established for the Nebraska individual income tax:

17 Individual Income Tax Brackets and Rates

| 18 | Bracket | Single      | Married,  | Head of   | Married,  | Estates  | Tax   |
|----|---------|-------------|-----------|-----------|-----------|----------|-------|
| 19 | Number  | Individuals | Filing    | Household | Filing    | and      | Rate  |
| 20 |         |             | Jointly   |           | Separate  | Trusts   |       |
| 21 | 1       | \$0-2,399   | \$0-4,799 | \$0-4,499 | \$0-2,399 | \$0-499  | 2.46% |
| 22 | 2       | \$2,400-    | \$4,800-  | \$4,500-  | \$2,400-  | \$500-   |       |
| 23 |         | 17,499      | 34,999    | 27,999    | 17,499    | 4,699    | 3.51% |
| 24 | 3       | \$17,500-   | \$35,000- | \$28,000- | \$17,500- | \$4,700- |       |
| 25 |         | 26,999      | 53,999    | 39,999    | 26,999    | 15,149   | 5.01% |
| 26 | 4       | \$27,000    | \$54,000  | \$40,000  | \$27,000  | \$15,150 |       |
| 27 |         | and Over    | and Over  | and Over  | and Over  | and Over | 6.84% |

28 (2) For taxable years beginning or deemed to begin on or after  
29 January 1, 2014, and before January 1, 2019, the following brackets and  
30 rates are hereby established for the Nebraska individual income tax:

1 Individual Income Tax Brackets and Rates

| 2 Bracket | Single      | Married,  | Head of   | Married,  | Estates  | Tax   |
|-----------|-------------|-----------|-----------|-----------|----------|-------|
| 3 Number  | Individuals | Filing    | Household | Filing    | and      | Rate  |
| 4         |             | Jointly   |           | Separate  | Trusts   |       |
| 5 1       | \$0-2,999   | \$0-5,999 | \$0-5,599 | \$0-2,999 | \$0-499  | 2.46% |
| 6 2       | \$3,000-    | \$6,000-  | \$5,600-  | \$3,000-  | \$500-   |       |
| 7         | 17,999      | 35,999    | 28,799    | 17,999    | 4,699    | 3.51% |
| 8 3       | \$18,000-   | \$36,000- | \$28,800- | \$18,000- | \$4,700- |       |
| 9         | 28,999      | 57,999    | 42,999    | 28,999    | 15,149   | 5.01% |
| 10 4      | \$29,000    | \$58,000  | \$43,000  | \$29,000  | \$15,150 |       |
| 11        | and Over    | and Over  | and Over  | and Over  | and Over | 6.84% |

12 (3) For taxable years beginning or deemed to begin on or after  
 13 January 1, 2019, and before January 1 of the year that the step 1 income  
 14 tax rate reduction is not deferred, the following brackets and rates are  
 15 hereby established for the Nebraska individual income tax:

16 Individual Income Tax Brackets and Rates

| 17 Bracket  | Single              | Married,            | Head of             | Married,            | Estates             | Tax          |
|-------------|---------------------|---------------------|---------------------|---------------------|---------------------|--------------|
| 18 Number   | Individuals         | Filing              | Household           | Filing              | and                 | Rate         |
| 19          |                     | Jointly             |                     | Separate            | Trusts              |              |
| 20 <u>1</u> | <u>\$0-17,999</u>   | <u>\$0-35,999</u>   | <u>\$0-28,799</u>   | <u>\$0-17,999</u>   | <u>\$0-4,699</u>    | <u>3.25%</u> |
| 21 <u>2</u> | <u>\$18,000-</u>    | <u>\$36,000-</u>    | <u>\$28,800-</u>    | <u>\$18,000-</u>    | <u>\$4,700-</u>     |              |
| 22          | <u>28,999</u>       | <u>57,999</u>       | <u>42,999</u>       | <u>28,999</u>       | <u>15,149</u>       | <u>5.01%</u> |
| 23 <u>3</u> | <u>\$29,000-</u>    | <u>\$58,000-</u>    | <u>\$43,000-</u>    | <u>\$29,000-</u>    | <u>\$15,150-</u>    |              |
| 24          | <u>9,999,999</u>    | <u>19,999,999</u>   | <u>9,999,999</u>    | <u>9,999,999</u>    | <u>9,999,999</u>    | <u>6.84%</u> |
| 25 <u>4</u> | <u>\$10,000,000</u> | <u>\$20,000,000</u> | <u>\$10,000,000</u> | <u>\$10,000,000</u> | <u>\$10,000,000</u> |              |
| 26          | <u>and Over</u>     | <u>and Over</u>     | <u>and Over</u>     | <u>and Over</u>     | <u>and Over</u>     | <u>7.00%</u> |

27 (4) Step 1 Income Tax Rate Reduction. For taxable years beginning or  
 28 deemed to begin on or after the first January 1 after the Tax Rate Review  
 29 Committee does not defer the step 1 income tax rate reduction, and before

1 January 1 of the year that the step 2 income tax rate reduction is  
2 effective, the following brackets and rates are hereby established for  
3 the Nebraska individual income tax:

4 Individual Income Tax Brackets and Rates

| 5  | <u>Bracket</u> | <u>Single</u>       | <u>Married,</u>     | <u>Head of</u>      | <u>Married,</u>     | <u>Estates</u>      | <u>Tax</u>   |
|----|----------------|---------------------|---------------------|---------------------|---------------------|---------------------|--------------|
| 6  | <u>Number</u>  | <u>Individuals</u>  | <u>Filing</u>       | <u>Household</u>    | <u>Filing</u>       | <u>and</u>          | <u>Rate</u>  |
| 7  |                |                     | <u>Jointly</u>      |                     | <u>Separate</u>     | <u>Trusts</u>       |              |
| 8  | <u>1</u>       | <u>\$0-17,999</u>   | <u>\$0-35,999</u>   | <u>\$0-28,799</u>   | <u>\$0-17,999</u>   | <u>\$0-4,699</u>    | <u>3.25%</u> |
| 9  | <u>2</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>5.01%</u> |
| 11 | <u>3</u>       | <u>\$29,000-</u>    | <u>\$58,000-</u>    | <u>\$43,000-</u>    | <u>\$29,000-</u>    | <u>\$15,150-</u>    |              |
| 12 |                | <u>9,999,999</u>    | <u>19,999,999</u>   | <u>9,999,999</u>    | <u>9,999,999</u>    | <u>9,999,999</u>    | <u>6.73%</u> |
| 13 | <u>4</u>       | <u>\$10,000,000</u> | <u>\$20,000,000</u> | <u>\$10,000,000</u> | <u>\$10,000,000</u> | <u>\$10,000,000</u> |              |
| 14 |                | <u>and Over</u>     | <u>and Over</u>     | <u>and Over</u>     | <u>and Over</u>     | <u>and Over</u>     | <u>7.00%</u> |

15 (5) Step 2 Income Tax Rate Reduction. For taxable years beginning or  
16 deemed to begin on or after the first January 1 after the Tax Rate Review  
17 Committee does not defer the step 2 income tax rate reduction, and before  
18 January 1 of the year that the step 3 income tax rate reduction is  
19 effective, the following brackets and rates are hereby established for  
20 the Nebraska individual income tax:

21 Individual Income Tax Brackets and Rates

| 22 | <u>Bracket</u> | <u>Single</u>      | <u>Married,</u>   | <u>Head of</u>    | <u>Married,</u>   | <u>Estates</u>   | <u>Tax</u>   |
|----|----------------|--------------------|-------------------|-------------------|-------------------|------------------|--------------|
| 23 | <u>Number</u>  | <u>Individuals</u> | <u>Filing</u>     | <u>Household</u>  | <u>Filing</u>     | <u>and</u>       | <u>Rate</u>  |
| 24 |                |                    | <u>Jointly</u>    |                   | <u>Separate</u>   | <u>Trusts</u>    |              |
| 25 | <u>1</u>       | <u>\$0-17,999</u>  | <u>\$0-35,999</u> | <u>\$0-28,799</u> | <u>\$0-17,999</u> | <u>\$0-4,699</u> | <u>3.25%</u> |
| 26 | <u>2</u>       | <u>\$18,000-</u>   | <u>\$36,000-</u>  | <u>\$28,800-</u>  | <u>\$18,000-</u>  | <u>\$4,700-</u>  |              |
| 27 |                | <u>28,999</u>      | <u>57,999</u>     | <u>42,999</u>     | <u>28,999</u>     | <u>15,149</u>    | <u>5.01%</u> |
| 28 | <u>3</u>       | <u>\$29,000-</u>   | <u>\$58,000-</u>  | <u>\$43,000-</u>  | <u>\$29,000-</u>  | <u>\$15,150-</u> |              |
| 29 |                | <u>9,999,999</u>   | <u>19,999,999</u> | <u>9,999,999</u>  | <u>9,999,999</u>  | <u>9,999,999</u> | <u>6.62%</u> |

1           4    \$10,000,000 \$20,000,000 \$10,000,000 \$10,000,000 \$10,000,000  
 2                   and Over    and Over    and Over    and Over    and Over    7.00%

3           (6) Step 3 Income Tax Rate Reduction. For taxable years beginning or  
 4 deemed to begin on or after the first January 1 after the Tax Rate Review  
 5 Committee does not defer the step 3 income tax rate reduction, and before  
 6 January 1 of the year that the step 4 income tax rate reduction is  
 7 effective, the following brackets and rates are hereby established for  
 8 the Nebraska individual income tax:

9                                   Individual Income Tax Brackets and Rates

| 10 | <u>Bracket</u> | <u>Single</u>       | <u>Married,</u>     | <u>Head of</u>      | <u>Married,</u>     | <u>Estates</u>      | <u>Tax</u>   |
|----|----------------|---------------------|---------------------|---------------------|---------------------|---------------------|--------------|
| 11 | <u>Number</u>  | <u>Individuals</u>  | <u>Filing</u>       | <u>Household</u>    | <u>Filing</u>       | <u>and</u>          | <u>Rate</u>  |
| 12 |                |                     | <u>Jointly</u>      |                     | <u>Separate</u>     | <u>Trusts</u>       |              |
| 13 | <u>1</u>       | <u>\$0-17,999</u>   | <u>\$0-35,999</u>   | <u>\$0-28,799</u>   | <u>\$0-17,999</u>   | <u>\$0-4,699</u>    | <u>3.25%</u> |
| 14 | <u>2</u>       | <u>\$18,000-</u>    | <u>\$36,000-</u>    | <u>\$28,800-</u>    | <u>\$18,000-</u>    | <u>\$4,700-</u>     |              |
| 15 |                | <u>28,999</u>       | <u>57,999</u>       | <u>42,999</u>       | <u>28,999</u>       | <u>15,149</u>       | <u>5.01%</u> |
| 16 | <u>3</u>       | <u>\$29,000-</u>    | <u>\$58,000-</u>    | <u>\$43,000-</u>    | <u>\$29,000-</u>    | <u>\$15,150-</u>    |              |
| 17 |                | <u>9,999,999</u>    | <u>19,999,999</u>   | <u>9,999,999</u>    | <u>9,999,999</u>    | <u>9,999,999</u>    | <u>6.52%</u> |
| 18 | <u>4</u>       | <u>\$10,000,000</u> | <u>\$20,000,000</u> | <u>\$10,000,000</u> | <u>\$10,000,000</u> | <u>\$10,000,000</u> |              |
| 19 |                | <u>and Over</u>     | <u>and Over</u>     | <u>and Over</u>     | <u>and Over</u>     | <u>and Over</u>     | <u>7.00%</u> |

20           (7) Step 4 Income Tax Rate Reduction. For taxable years beginning or  
 21 deemed to begin on or after the first January 1 after the Tax Rate Review  
 22 Committee does not defer the step 4 income tax rate reduction, and before  
 23 January 1 of the year that the step 5 income tax rate reduction is  
 24 effective, the following brackets and rates are hereby established for  
 25 the Nebraska individual income tax:

26                                   Individual Income Tax Brackets and Rates

| 27 | <u>Bracket</u> | <u>Single</u>      | <u>Married,</u> | <u>Head of</u>   | <u>Married,</u> | <u>Estates</u> | <u>Tax</u>  |
|----|----------------|--------------------|-----------------|------------------|-----------------|----------------|-------------|
| 28 | <u>Number</u>  | <u>Individuals</u> | <u>Filing</u>   | <u>Household</u> | <u>Filing</u>   | <u>and</u>     | <u>Rate</u> |
| 29 |                |                    | <u>Jointly</u>  |                  | <u>Separate</u> | <u>Trusts</u>  |             |

|   |          |                     |                     |                     |                     |                     |              |
|---|----------|---------------------|---------------------|---------------------|---------------------|---------------------|--------------|
| 1 | <u>1</u> | <u>\$0-17,999</u>   | <u>\$0-35,999</u>   | <u>\$0-28,799</u>   | <u>\$0-17,999</u>   | <u>\$0-4,699</u>    | <u>3.25%</u> |
| 2 | <u>2</u> | <u>\$18,000-</u>    | <u>\$36,000-</u>    | <u>\$28,800-</u>    | <u>\$18,000-</u>    | <u>\$4,700-</u>     |              |
| 3 |          | <u>28,999</u>       | <u>57,999</u>       | <u>42,999</u>       | <u>28,999</u>       | <u>15,149</u>       | <u>5.01%</u> |
| 4 | <u>3</u> | <u>\$29,000-</u>    | <u>\$58,000-</u>    | <u>\$43,000-</u>    | <u>\$29,000-</u>    | <u>\$15,150-</u>    |              |
| 5 |          | <u>9,999,999</u>    | <u>19,999,999</u>   | <u>9,999,999</u>    | <u>9,999,999</u>    | <u>9,999,999</u>    | <u>6.41%</u> |
| 6 | <u>4</u> | <u>\$10,000,000</u> | <u>\$20,000,000</u> | <u>\$10,000,000</u> | <u>\$10,000,000</u> | <u>\$10,000,000</u> |              |
| 7 |          | <u>and Over</u>     | <u>and Over</u>     | <u>and Over</u>     | <u>and Over</u>     | <u>and Over</u>     | <u>7.00%</u> |

8 (8) Step 5 Income Tax Rate Reduction. For taxable years beginning or  
 9 deemed to begin on or after the first January 1 after the Tax Rate Review  
 10 Committee does not defer the step 5 income tax rate reduction, and before  
 11 January 1 of the year that the step 6 income tax rate reduction is  
 12 effective, the following brackets and rates are hereby established for  
 13 the Nebraska individual income tax:

14 Individual Income Tax Brackets and Rates

| 15 | <u>Bracket</u> | <u>Single</u>       | <u>Married,</u>     | <u>Head of</u>      | <u>Married,</u>     | <u>Estates</u>      | <u>Tax</u>   |
|----|----------------|---------------------|---------------------|---------------------|---------------------|---------------------|--------------|
| 16 | <u>Number</u>  | <u>Individuals</u>  | <u>Filing</u>       | <u>Household</u>    | <u>Filing</u>       | <u>and</u>          | <u>Rate</u>  |
| 17 |                |                     | <u>Jointly</u>      |                     | <u>Separate</u>     | <u>Trusts</u>       |              |
| 18 | <u>1</u>       | <u>\$0-17,999</u>   | <u>\$0-35,999</u>   | <u>\$0-28,799</u>   | <u>\$0-17,999</u>   | <u>\$0-4,699</u>    | <u>3.25%</u> |
| 19 | <u>2</u>       | <u>\$18,000-</u>    | <u>\$36,000-</u>    | <u>\$28,800-</u>    | <u>\$18,000-</u>    | <u>\$4,700-</u>     |              |
| 20 |                | <u>28,999</u>       | <u>57,999</u>       | <u>42,999</u>       | <u>28,999</u>       | <u>15,149</u>       | <u>5.01%</u> |
| 21 | <u>3</u>       | <u>\$29,000-</u>    | <u>\$58,000-</u>    | <u>\$43,000-</u>    | <u>\$29,000-</u>    | <u>\$15,150-</u>    |              |
| 22 |                | <u>9,999,999</u>    | <u>19,999,999</u>   | <u>9,999,999</u>    | <u>9,999,999</u>    | <u>9,999,999</u>    | <u>6.31%</u> |
| 23 | <u>4</u>       | <u>\$10,000,000</u> | <u>\$20,000,000</u> | <u>\$10,000,000</u> | <u>\$10,000,000</u> | <u>\$10,000,000</u> |              |
| 24 |                | <u>and Over</u>     | <u>and Over</u>     | <u>and Over</u>     | <u>and Over</u>     | <u>and Over</u>     | <u>7.00%</u> |

25 (9) Step 6 Income Tax Rate Reduction. For taxable years beginning or  
 26 deemed to begin on or after the first January 1 after the Tax Rate Review  
 27 Committee does not defer the step 6 income tax rate reduction, and before  
 28 January 1 of the year that the step 7 income tax rate reduction is  
 29 effective, the following brackets and rates are hereby established for  
 30 the Nebraska individual income tax:



1 Individual Income Tax Brackets and Rates

| 2  | <u>Bracket</u> | <u>Single</u>       | <u>Married,</u>     | <u>Head of</u>      | <u>Married,</u>     | <u>Estates</u>      | <u>Tax</u>   |
|----|----------------|---------------------|---------------------|---------------------|---------------------|---------------------|--------------|
| 3  | <u>Number</u>  | <u>Individuals</u>  | <u>Filing</u>       | <u>Household</u>    | <u>Filing</u>       | <u>and</u>          | <u>Rate</u>  |
| 4  |                |                     | <u>Jointly</u>      |                     | <u>Separate</u>     | <u>Trusts</u>       |              |
| 5  | <u>1</u>       | <u>\$0-17,999</u>   | <u>\$0-35,999</u>   | <u>\$0-28,799</u>   | <u>\$0-17,999</u>   | <u>\$0-4,699</u>    | <u>3.25%</u> |
| 6  | <u>2</u>       | <u>\$18,000-</u>    | <u>\$36,000-</u>    | <u>\$28,800-</u>    | <u>\$18,000-</u>    | <u>\$4,700-</u>     |              |
| 7  |                | <u>28,999</u>       | <u>57,999</u>       | <u>42,999</u>       | <u>28,999</u>       | <u>15,149</u>       | <u>5.01%</u> |
| 8  | <u>3</u>       | <u>\$29,000-</u>    | <u>\$58,000-</u>    | <u>\$43,000-</u>    | <u>\$29,000-</u>    | <u>\$15,150-</u>    |              |
| 9  |                | <u>9,999,999</u>    | <u>19,999,999</u>   | <u>9,999,999</u>    | <u>9,999,999</u>    | <u>9,999,999</u>    | <u>6.20%</u> |
| 10 | <u>4</u>       | <u>\$10,000,000</u> | <u>\$20,000,000</u> | <u>\$10,000,000</u> | <u>\$10,000,000</u> | <u>\$10,000,000</u> |              |
| 11 |                | <u>and Over</u>     | <u>and Over</u>     | <u>and Over</u>     | <u>and Over</u>     | <u>and Over</u>     | <u>7.00%</u> |

12 (10) Step 7 Income Tax Rate Reduction. For taxable years beginning  
 13 or deemed to begin on or after the first January 1 after the Tax Rate  
 14 Review Committee does not defer the step 7 income tax rate reduction, and  
 15 before January 1 of the year that the step 8 income tax rate reduction is  
 16 effective, 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>\$0-17,999</u>   | <u>\$0-35,999</u>   | <u>\$0-28,799</u>   | <u>\$0-17,999</u>   | <u>\$0-4,699</u>    | <u>3.25%</u> |
| 23 | <u>2</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>5.01%</u> |
| 25 | <u>3</u>       | <u>\$29,000-</u>    | <u>\$58,000-</u>    | <u>\$43,000-</u>    | <u>\$29,000-</u>    | <u>\$15,150-</u>    |              |
| 26 |                | <u>9,999,999</u>    | <u>19,999,999</u>   | <u>9,999,999</u>    | <u>9,999,999</u>    | <u>9,999,999</u>    | <u>6.10%</u> |
| 27 | <u>4</u>       | <u>\$10,000,000</u> | <u>\$20,000,000</u> | <u>\$10,000,000</u> | <u>\$10,000,000</u> | <u>\$10,000,000</u> |              |
| 28 |                | <u>and Over</u>     | <u>and Over</u>     | <u>and Over</u>     | <u>and Over</u>     | <u>and Over</u>     | <u>7.00%</u> |

29 (11) Step 8 Income Tax Rate Reduction. For taxable years beginning

1 or deemed to begin on or after the first January 1 after the Tax Rate  
2 Review Committee does not defer the step 8 income tax rate reduction, the  
3 following brackets and rates are hereby established for the Nebraska  
4 individual income tax:

5 Individual Income Tax Brackets and Rates

| 6  | <u>Bracket</u> | <u>Single</u>       | <u>Married,</u>     | <u>Head of</u>      | <u>Married,</u>     | <u>Estates</u>      | <u>Tax</u>   |
|----|----------------|---------------------|---------------------|---------------------|---------------------|---------------------|--------------|
| 7  | <u>Number</u>  | <u>Individuals</u>  | <u>Filing</u>       | <u>Household</u>    | <u>Filing</u>       | <u>and</u>          | <u>Rate</u>  |
| 8  |                |                     | <u>Jointly</u>      |                     | <u>Separate</u>     | <u>Trusts</u>       |              |
| 9  | <u>1</u>       | <u>\$0-17,999</u>   | <u>\$0-35,999</u>   | <u>\$0-28,799</u>   | <u>\$0-17,999</u>   | <u>\$0-4,699</u>    | <u>3.25%</u> |
| 10 | <u>2</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>5.01%</u> |
| 12 | <u>3</u>       | <u>\$29,000-</u>    | <u>\$58,000-</u>    | <u>\$43,000-</u>    | <u>\$29,000-</u>    | <u>\$15,150-</u>    |              |
| 13 |                | <u>9,999,999</u>    | <u>19,999,999</u>   | <u>9,999,999</u>    | <u>9,999,999</u>    | <u>9,999,999</u>    | <u>5.99%</u> |
| 14 | <u>4</u>       | <u>\$10,000,000</u> | <u>\$20,000,000</u> | <u>\$10,000,000</u> | <u>\$10,000,000</u> | <u>\$10,000,000</u> |              |
| 15 |                | <u>and Over</u>     | <u>and Over</u>     | <u>and Over</u>     | <u>and Over</u>     | <u>and Over</u>     | <u>7.00%</u> |

16 (12) The income tax rate reduction steps provided in subsections (4)  
17 through (11) of this section shall take effect in order beginning with  
18 the step 1 income tax rate reduction and continuing until the step 8  
19 income tax rate reduction becomes effective.

20 (13)(a) ~~(3)(a)~~ For taxable years beginning or deemed to begin on or  
21 after January 1, 2015, the minimum and maximum dollar amounts for each  
22 income tax bracket provided in subsections ~~subsection~~ (2) through (11) of  
23 this section shall be adjusted for inflation by the percentage determined  
24 under subdivision (13)(b) ~~(3)(b)~~ of this section. The rate applicable to  
25 any such income tax bracket shall not be changed as part of any  
26 adjustment under this subsection. The minimum and maximum dollar amounts  
27 for each income tax bracket as adjusted shall be rounded to the nearest  
28 ten-dollar amount. If the adjusted amount for any income tax bracket ends  
29 in a five, it shall be rounded up to the nearest ten-dollar amount.

30 (b) The Tax Commissioner shall adjust the income tax brackets by the

1 percentage determined pursuant to the provisions of section 1(f) of the  
2 Internal Revenue Code of 1986, as amended, except that in section 1(f)(3)  
3 (B) 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 subsections ~~subsection~~ (2) through (11) of this section.

11 (14) ~~(4)~~ Whenever the tax brackets or tax rates are changed by the  
12 Legislature, the Tax Commissioner shall update the tax rate schedules to  
13 reflect the new tax brackets or tax rates and shall publish such updated  
14 schedules.

15 (15) ~~(5)~~ The Tax Commissioner shall prepare, from the rate  
16 schedules, tax tables which can be used by a majority of the taxpayers to  
17 determine their Nebraska tax liability. The design of the tax tables  
18 shall be determined by the Tax Commissioner. The size of the tax table  
19 brackets may change as the level of income changes. The difference in tax  
20 between two tax table brackets shall not exceed fifteen dollars. The Tax  
21 Commissioner may build the personal exemption credit and standard  
22 deduction amounts into the tax tables.

23 (16) ~~(6)~~ For taxable years beginning or deemed to begin on or after  
24 January 1, 2013, the tax rate applied to other federal taxes included in  
25 the computation of the Nebraska individual income tax shall be 29.6  
26 percent.

27 (17) ~~(7)~~ The Tax Commissioner may require by rule and regulation  
28 that all taxpayers shall use the tax tables if their income is less than  
29 the maximum income included in the tax tables.

30 2. On page 24, strike beginning with "Tax" in line 8 through "year"  
31 in line 13 and insert "Tax Rate Review Committee shall compare the net

1 General Fund receipts for the most recently completed fiscal year to the  
2 prior fiscal year and shall determine the actual rate of growth in net  
3 General Fund receipts for such period. If the actual rate of growth in  
4 net General Fund receipts was not at least five and one-half percent";  
5 and strike beginning with "if" in line 24 through "year" in line 26 and  
6 insert "if the actual rate of growth in net General Fund receipts, as  
7 determined under subsection (3) of this section, was at least five and  
8 one-half percent".

9 3. On page 33, line 30, strike "Eleven" and insert "Fifteen".

10 4. On page 34, line 3, strike "Twelve" and insert "Twenty".

11 5. Renumber the remaining sections, correct internal references, and  
12 correct the repealer accordingly.