

LEGISLATURE OF NEBRASKA
ONE HUNDREDTH LEGISLATURE
SECOND SESSION
LEGISLATIVE BILL 863

Introduced by Langemeier, 23.

Read first time January 11, 2008

Committee: Revenue

A BILL

1 FOR AN ACT relating to revenue and taxation; to amend section
2 77-2715.02, Revised Statutes Supplement, 2007; to change
3 income tax calculations; and to repeal the original
4 section.

5 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-2715.02, Revised Statutes
2 Supplement, 2007, is amended to read:

3 77-2715.02 (1) Whenever the primary rate is changed by
4 the Legislature under section 77-2715.01, the Tax Commissioner
5 shall update the rate schedules required in subsection (2) of this
6 section to reflect the new primary rate and shall publish such
7 updated schedules.

8 (2) The following rate schedules are hereby established
9 for the Nebraska individual income tax and shall be in the
10 following form:

11 (a) For taxable years beginning or deemed to begin before
12 January 1, 2007, income amounts for columns A and E shall be:

13 (i) \$0, \$2,400, \$17,500, and \$27,000, for single returns;

14 (ii) \$0, \$4,000, \$31,000, and \$50,000, for married filing
15 joint returns;

16 (iii) \$0, \$3,800, \$25,000, and \$35,000, for
17 head-of-household returns;

18 (iv) \$0, \$2,000, \$15,500, and \$25,000, for married filing
19 separate returns; and

20 (v) \$0, \$500, \$4,700, and \$15,150, for estates and
21 trusts;

22 (b) For taxable years beginning or deemed to begin on or
23 after January 1, 2007, and before January 1, 2009, income amounts
24 for columns A and E shall be:

25 (i) \$0, \$2,400, \$17,500, and \$27,000, for single returns;

1 (ii) \$0, \$4,800, \$35,000, and \$54,000, for married filing
2 joint returns;

3 (iii) \$0, \$4,500, \$28,000, and \$40,000, for
4 head-of-household returns;

5 (iv) \$0, \$2,400, \$17,500, and \$27,000, for married filing
6 separate returns; and

7 (v) \$0, \$500, \$4,700, and \$15,150, for estates and
8 trusts;

9 (c) For taxable years beginning on or after January 1,
10 2009, income amounts for columns A and E shall be:

11 (i) \$0, \$5,000, \$20,000, and \$35,000, for single returns;

12 (ii) \$0, \$10,000, \$40,000, and \$70,000, for married
13 filing joint returns;

14 (iii) \$0, \$9,500, \$32,000, and \$52,500, for
15 head-of-household returns;

16 (iv) \$0, \$5,000, \$20,000, and \$35,000, for married filing
17 separate returns; and

18 (v) \$0, \$1,000, \$5,000, and \$20,000, for estates and
19 trusts;

20 ~~(e)~~ (d) The amount in column C shall be the total amount
21 of the tax imposed on income less than the amount in column A;

22 ~~(d)~~ (e) The amount in column D shall be the rate on the
23 income in excess of the amount in column E;

24 ~~(e)~~ (f) For taxable years beginning or deemed to begin
25 before January 1, 2003, under the Internal Revenue Code of 1986,

1 as amended, the primary rate set by the Legislature shall be
2 multiplied by the following factors to compute the tax rates for
3 column D. The factors for the brackets, from lowest to highest
4 bracket, shall be .6784, .9432, 1.3541, and 1.8054;

5 ~~(f)~~ (g) For taxable years beginning or deemed to begin
6 on or after January 1, 2003, under the Internal Revenue Code of
7 1986, as amended, the primary rate set by the Legislature shall
8 be multiplied by the following factors to compute the tax rates
9 for column D. The factors for the brackets, from lowest to highest
10 bracket, shall be .6932, .9646, 1.3846, and 1.848;

11 ~~(g)~~ (h) The amounts for column C shall be rounded to the
12 nearest dollar, and the amounts in column D shall be rounded to
13 hundredths of one percent; and

14 ~~(h)~~ (i) One rate schedule shall be established for each
15 federal filing status.

16 (3) The tax rate schedules shall use the format set forth
17 in this subsection.

18	A	B	C	D	E
19	Taxable income	but not	pay	plus	of the
20	over	over			amount over

21 (4) The tax rate applied to other federal taxes included
22 in the computation of the Nebraska individual income tax shall be
23 eight times the primary rate.

24 (5) The Tax Commissioner shall prepare, from the rate
25 schedules, tax tables which can be used by a majority of the

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

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

11 Sec. 2. Original section 77-2715.02, Revised Statutes
12 Supplement, 2007, is repealed.