

ONE HUNDRED FIFTH LEGISLATURE - SECOND SESSION - 2018
COMMITTEE STATEMENT
LB1090

Hearing Date: Wednesday February 07, 2018
Committee On: Revenue
Introducer: Smith
One Liner: Change provisions relating to inflation adjustments, personal exemptions, and standard deductions

Roll Call Vote - Final Committee Action:
Advanced to General File

Vote Results:

Aye: 8 Senators Brasch, Friesen, Groene, Harr, Larson, Lindstrom,
Schumacher, Smith

Nay:

Absent:

Present Not Voting:

Verbal Testimony:

Proponents:

Senator Jim Smith
George Kilpatrick
Tony Fulton
Ron Sedlacek

Bruce Bohrer
Nicole Fox

Representing:

Introducer
Nebraska Department of Revenue
Tax Commissioner, Nebraska Department of Revenue
Nebraska Chamber of Commerce, Greater Omaha
Chamber, Nebraska Bankers Association
Lincoln Chamber of Commerce
Platte Institute

Opponents:

Representing:

Neutral:

Representing:

Summary of purpose and/or changes:

LB 1090 would restore the \$134 personal exemption credit that was effectively repealed by the federal Tax Cuts and Jobs Act. The bill also establishes the Nebraska standard deduction as \$6,750 for single taxpayers and \$9,900 for head of household filers. The standard deductions for married, filing jointly returns is double the standard deduction for single returns. The additional amounts for age or blindness are \$1,300 for married taxpayers and \$1,600 for single or head-of-household taxpayers.

Under the federal Tax Cuts and Jobs Act, the federal method of indexing for inflation was changed to Chained CPI, which grows somewhat more slowly than the Consumer Price Index that has been used for many years. LB 1090 would adjust the individual income tax brackets, the person exemption credit, and the standard deduction based upon the Consumer Price Index - All Urban Consumers for tax years beginning or deemed to begin on or after January 1, 2018.

Jim Smith, Chairperson