

One Hundred Fifth Legislature - Second Session - 2018

Introducer's Statement of Intent

LB1074

Chairperson: Senator Jim Smith

Committee: Revenue

Date of Hearing: February 02, 2018

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

LB1074 lowers taxes on low and middle income earners by adding new tax brackets for higher income earners.

LB1074 makes the following adjustments to individual income tax brackets and rates:

- Expands the current third bracket, applying a lower tax rate to more income.
- Starts the fourth tax bracket at a higher income level.
- Adds a new fifth bracket at a rate of 7.84% for taxpayers who are married-filing jointly starting at \$200,000, \$150,000 for head of household filers, and \$100,000 for all other filers.
- Adds an additional 1% tax to taxable income in excess of one million dollars.
- Adds an additional 2% tax to taxable income in excess of two million dollars.

Additionally, LB1074 increases the state portion of the Earned Income Tax Credit (EITC) from 10% to 12% of the federal credit.

Principal Introducer: _____

Senator Tony Vargas