

One Hundred Fifth Legislature - Second Session - 2018

Introducer's Statement of Intent

LB1090

Chairperson: Senator Jim Smith

Committee: Revenue

Date of Hearing: February 07, 2018

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

LB 1090 would restore the \$134 personal exemption credit that was effectively repealed by the federal Tax Cuts and Jobs Act.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.

Principal Introducer: _____

Senator Jim Smith