LEGISLATURE OF NEBRASKA
ONE HUNDRED SEVENTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 938

Introduced by Linehan, 39.
Read first time January 10, 2022
Committee: Revenue

A BILL FOR AN ACT relating to income taxes; to amend section 77-2734.02, Revised Statutes Supplement, 2021; to change corporate income tax rates as prescribed; to eliminate provisions relating to legislative intent; and to repeal the original section.

Be it enacted by the people of the State of Nebraska,
Section 1. Section 77-2734.02, Revised Statutes Supplement, 2021, is amended to read:

77-2734.02 (1) Except as provided in subsection (2) of this section, a tax is hereby imposed on the taxable income of every corporate taxpayer that is doing business in this state:

(a) For taxable years beginning or deemed to begin before January 1, 2013, at a rate equal to one hundred fifty and eight-tenths percent of the primary rate imposed on individuals under section 77-2701.01 on the first one hundred thousand dollars of taxable income and at the rate of two hundred eleven percent of such rate on all taxable income in excess of one hundred thousand dollars. The resultant rates shall be rounded to the nearest one hundredth of one percent;

(b) For taxable years beginning or deemed to begin on or after January 1, 2013, and before January 1, 2022, at a rate equal to 5.58 percent on the first one hundred thousand dollars of taxable income and at the rate of 7.81 percent on all taxable income in excess of one hundred thousand dollars;

(c) For taxable years beginning or deemed to begin on or after January 1, 2022, and before January 1, 2023, at a rate equal to 5.58 percent on the first one hundred thousand dollars of taxable income and at the rate of 7.50 percent on all taxable income in excess of one hundred thousand dollars;

(d) For taxable years beginning or deemed to begin on or after January 1, 2023, and before January 1, 2024, at a rate equal to 5.58 percent on the first one hundred thousand dollars of taxable income and at the rate of 7.00 percent on all taxable income in excess of one hundred thousand dollars;

(e) For taxable years beginning or deemed to begin on or after January 1, 2024, and before January 1, 2025, at a rate equal to 5.58 percent on the first one hundred thousand dollars of taxable income and at the rate of 6.50 percent on all taxable income in excess of one hundred thousand dollars.
(f) For taxable years beginning or deemed to begin on or after January 1, 2025, and before January 1, 2026, at a rate equal to 5.58 percent on the first one hundred thousand dollars of taxable income and at the rate of 6.14 percent on all taxable income in excess of one hundred thousand dollars; and

(g) For taxable years beginning or deemed to begin on or after January 1, 2026, at a rate equal to 5.58 percent on the first one hundred thousand dollars of taxable income and at the rate of 5.84 percent on all taxable income in excess of one hundred thousand dollars.

It is the intent of the Legislature to enact legislation after August 28, 2021, to lower the tax rate applicable to income in excess of one hundred thousand dollars to 7.00 percent for taxable years beginning or deemed to begin on or after January 1, 2024, and before January 1, 2025, and to 6.84 percent for taxable years beginning or deemed to begin on or after January 1, 2025.

For corporate taxpayers with a fiscal year that does not coincide with the calendar year, the individual rate used for this subsection shall be the rate in effect on the first day, or the day deemed to be the first day, of the taxable year.

(2) An insurance company shall be subject to taxation at the lesser of the rate described in subsection (1) of this section or the rate of tax imposed by the state or country in which the insurance company is domiciled if the insurance company can establish to the satisfaction of the Tax Commissioner that it is domiciled in a state or country other than Nebraska that imposes on Nebraska domiciled insurance companies a retaliatory tax against the tax described in subsection (1) of this section.

(3) For a corporate taxpayer that is subject to tax in another state, its taxable income shall be the portion of the taxpayer's federal taxable income, as adjusted, that is determined to be connected with the
taxpayer's operations in this state pursuant to sections 77-2734.05 to
77-2734.15.

(4) Each corporate taxpayer shall file only one income tax return
for each taxable year.

Sec. 2. Original section 77-2734.02, Revised Statutes Supplement,
2021, is repealed.