LEGISLATURE OF NEBRASKA
ONE HUNDRED SEVENTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 939

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

A BILL FOR AN ACT relating to revenue and taxation; to amend section 77-2715.03, Reissue Revised Statutes of Nebraska; to change individual income tax rates as prescribed; and to repeal the original section.

Be it enacted by the people of the State of Nebraska,
Section 1. Section 77-2715.03, Reissue Revised Statutes of Nebraska, is amended to read:

77-2715.03 (1) For taxable years beginning or deemed to begin on or after January 1, 2013, and before January 1, 2014, the following brackets and rates are hereby established for the Nebraska individual income tax:

### Individual Income Tax Brackets and Rates

<table>
<thead>
<tr>
<th>Bracket Number</th>
<th>Single Individuals Filing</th>
<th>Married, Head of Household Filing</th>
<th>Married, Estates Filing</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$0-2,399</td>
<td>$0-4,799</td>
<td>$0-4,499</td>
<td>2.46%</td>
</tr>
<tr>
<td>2</td>
<td>$2,400-</td>
<td>$4,800-</td>
<td>$4,500-</td>
<td>3.51%</td>
</tr>
<tr>
<td>3</td>
<td>$17,499</td>
<td>34,999</td>
<td>27,999</td>
<td>4.699</td>
</tr>
<tr>
<td>4</td>
<td>$26,999</td>
<td>53,999</td>
<td>39,999</td>
<td>5.01%</td>
</tr>
</tbody>
</table>

(2) For taxable years beginning or deemed to begin on or after January 1, 2014, the following brackets and rates are hereby established for the Nebraska individual income tax:

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<table>
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<tr>
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<th>Married, Head of Household Filing</th>
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</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$0-2,999</td>
<td>$0-5,999</td>
<td>$0-5,599</td>
<td>2.46%</td>
</tr>
<tr>
<td>2</td>
<td>$3,000-</td>
<td>$6,000-</td>
<td>$5,600-</td>
<td>3.51%</td>
</tr>
<tr>
<td>3</td>
<td>$18,000-</td>
<td>$36,000-</td>
<td>$28,800-</td>
<td>4.699</td>
</tr>
<tr>
<td>4</td>
<td>$28,999</td>
<td>57,999</td>
<td>42,999</td>
<td>5.01%</td>
</tr>
</tbody>
</table>

and Over and Over and Over and Over and Over and Over Top Rate
For purposes of this subsection, the top rate shall be:

(a) 6.84% for taxable years beginning or deemed to begin on or after January 1, 2014, and before January 1, 2023;
(b) 6.34% for taxable years beginning or deemed to begin on or after January 1, 2023, and before January 1, 2024;
(c) 6.14% for taxable years beginning or deemed to begin on or after January 1, 2024, and before January 1, 2025; and
(d) 5.84% for taxable years beginning or deemed to begin on or after January 1, 2025.

(3)(a) For taxable years beginning or deemed to begin on or after January 1, 2015, the minimum and maximum dollar amounts for each income tax bracket provided in subsection (2) of this section shall be adjusted for inflation by the percentage determined under subdivision (3)(b) of this section. The rate applicable to any such income tax bracket shall not be changed as part of any adjustment under this subsection. The minimum and maximum dollar amounts for each income tax bracket as adjusted shall be rounded to the nearest ten-dollar amount. If the adjusted amount for any income tax bracket ends in a five, it shall be rounded up to the nearest ten-dollar amount.

(b)(i) For taxable years beginning or deemed to begin on or after January 1, 2015, and before January 1, 2018, the Tax Commissioner shall adjust the income tax brackets by the percentage determined pursuant to the provisions of section 1(f) of the Internal Revenue Code of 1986, as it existed prior to December 22, 2017, except that in section 1(f)(3)(B) of the code the year 2013 shall be substituted for the year 1992. For 2015, the Tax Commissioner shall then determine the percent change from the twelve months ending on August 31, 2013, to the twelve months ending on August 31, 2014, and in each subsequent year, from the twelve months ending on August 31, 2013, to the twelve months ending on August 31 of
the year preceding the taxable year. The Tax Commissioner shall prescribe new tax rate schedules that apply in lieu of the schedules set forth in subsection (2) of this section.

(ii) For taxable years beginning or deemed to begin on or after January 1, 2018, the Tax Commissioner shall adjust the income tax brackets based on the percentage change in the Consumer Price Index for All Urban Consumers published by the federal Bureau of Labor Statistics from the twelve months ending on August 31, 2016, to the twelve months ending on August 31 of the year preceding the taxable year. The Tax Commissioner shall prescribe new tax rate schedules that apply in lieu of the schedules set forth in subsection (2) of this section.

(4) Whenever the tax brackets or tax rates are changed by the Legislature, the Tax Commissioner shall update the tax rate schedules to reflect the new tax brackets or tax rates and shall publish such updated schedules.

(5) The Tax Commissioner shall prepare, from the rate schedules, tax tables which can be used by a majority of the taxpayers to determine their Nebraska tax liability. The design of the tax tables shall be determined by the Tax Commissioner. The size of the tax table brackets may change as the level of income changes. The difference in tax between two tax table brackets shall not exceed fifteen dollars. The Tax Commissioner may build the personal exemption credit and standard deduction amounts into the tax tables.

(6) For taxable years beginning or deemed to begin on or after January 1, 2013, the tax rate applied to other federal taxes included in the computation of the Nebraska individual income tax shall be 29.6 percent.

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

Sec. 2. Original section 77-2715.03, Reissue Revised Statutes of...
Nebraska, is repealed.