

LEGISLATURE OF NEBRASKA  
ONE HUNDRED EIGHTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 387**

Introduced by Linehan, 39.

Read first time January 12, 2023

Committee: Revenue

- 1 A BILL FOR AN ACT relating to income taxes; to amend section 77-2715.03,
- 2 Revised Statutes Cumulative Supplement, 2022; to change provisions
- 3 relating to a certain tax rate; and to repeal the original section.
- 4 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-2715.03, Revised Statutes Cumulative  
2 Supplement, 2022, is amended to read:

3 77-2715.03 (1) For taxable years beginning or deemed to begin on or  
4 after January 1, 2013, and before January 1, 2014, the following brackets  
5 and rates are hereby established for the Nebraska individual income tax:

6 Individual Income Tax Brackets and Rates

7 Bracket	Single	Married,	Head of	Married,	Estates	Tax
8 Number	Individuals	Filing	Household	Filing	and	Rate
		Jointly		Separate	Trusts	
10 1	\$0-2,399	\$0-4,799	\$0-4,499	\$0-2,399	\$0-499	2.46%
11 2	\$2,400-	\$4,800-	\$4,500-	\$2,400-	\$500-	
12	17,499	34,999	27,999	17,499	4,699	3.51%
13 3	\$17,500-	\$35,000-	\$28,000-	\$17,500-	\$4,700-	
14	26,999	53,999	39,999	26,999	15,149	5.01%
15 4	\$27,000	\$54,000	\$40,000	\$27,000	\$15,150	
16	and Over	and Over	and Over	and Over	and Over	6.84%

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

20 Individual Income Tax Brackets and Rates

21 Bracket	Single	Married,	Head of	Married,	Estates	Tax
22 Number	Individuals	Filing	Household	Filing	and	Rate
		Jointly		Separate	Trusts	
24 1	\$0-2,999	\$0-5,999	\$0-5,599	\$0-2,999	\$0-499	2.46%
25 2	\$3,000-	\$6,000-	\$5,600-	\$3,000-	\$500-	
26	17,999	35,999	28,799	17,999	4,699	3.51%
27 3	\$18,000-	\$36,000-	\$28,800-	\$18,000-	\$4,700-	
28	28,999	57,999	42,999	28,999	15,149	5.01%
29 4	\$29,000	\$58,000	\$43,000	\$29,000	\$15,150	
30	and Over	and Over	and Over	and Over	and Over	Top Rate

1 For purposes of this subsection, the top rate shall be:

2 (a) 6.84% for taxable years beginning or deemed to begin on or after  
3 January 1, 2014, and before January 1, 2023;

4 (b) 6.64% for taxable years beginning or deemed to begin on or after  
5 January 1, 2023, and before January 1, 2024;

6 (c) 6.44% for taxable years beginning or deemed to begin on or after  
7 January 1, 2024, and before January 1, 2025;

8 (d) 6.24% for taxable years beginning or deemed to begin on or after  
9 January 1, 2025, and before January 1, 2026;

10 (e) 6.00% for taxable years beginning or deemed to begin on or after  
11 January 1, 2026, and before January 1, 2027; and

12 (f) 5.84% for taxable years beginning or deemed to begin on or after  
13 January 1, 2027.

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

24 (b)(i) For taxable years beginning or deemed to begin on or after  
25 January 1, 2015, and before January 1, 2018, the Tax Commissioner shall  
26 adjust the income tax brackets by the percentage determined pursuant to  
27 the provisions of section 1(f) of the Internal Revenue Code of 1986, as  
28 it existed prior to December 22, 2017, except that in section 1(f)(3)(B)  
29 of the code the year 2013 shall be substituted for the year 1992. For  
30 2015, the Tax Commissioner shall then determine the percent change from  
31 the twelve months ending on August 31, 2013, to the twelve months ending

1 on August 31, 2014, and in each subsequent year, from the twelve months  
2 ending on August 31, 2013, to the twelve months ending on August 31 of  
3 the year preceding the taxable year. The Tax Commissioner shall prescribe  
4 new tax rate schedules that apply in lieu of the schedules set forth in  
5 subsection (2) of this section.

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

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

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

26 (6) For taxable years beginning or deemed to begin on or after  
27 January 1, 2013, the tax rate applied to other federal taxes included in  
28 the computation of the Nebraska individual income tax shall be twenty-  
29 nine and six-tenths ~~29.6~~ percent.

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

1 maximum income included in the tax tables.

2 Sec. 2. Original section 77-2715.03, Revised Statutes Cumulative

3 Supplement, 2022, is repealed.