

LEGISLATURE OF NEBRASKA
ONE HUNDRED EIGHTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 804

Introduced by von Gillern, 4; at the request of the Governor; Aguilar, 35; Albrecht, 17; Brewer, 43; Briese, 41; Clements, 2; DeKay, 40; Dover, 19; Geist, 25; Hansen, B., 16; Holdcroft, 36; Ibach, 44; Jacobson, 42; Kauth, 31; Linehan, 39; Lippincott, 34; Lowe, 37; Moser, 22; Murman, 38; Riepe, 12; Sanders, 45; Slama, 1.

Read first time January 18, 2023

Committee: Revenue

- 1 A BILL FOR AN ACT relating to income taxes; to amend section 77-2734.02,
- 2 Revised Statutes Cumulative Supplement, 2022; to change corporate
- 3 income tax rates as prescribed; and to repeal the original section.
- 4 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-2734.02, Revised Statutes Cumulative
2 Supplement, 2022, is amended to read:

3 77-2734.02 (1) Except as provided in subsection (2) of this section,
4 a tax is hereby imposed on the taxable income of every corporate taxpayer
5 that is doing business in this state:

6 (a) For taxable years beginning or deemed to begin before January 1,
7 2013, at a rate equal to one hundred fifty and eight-tenths percent of
8 the primary rate imposed on individuals under section 77-2701.01 on the
9 first one hundred thousand dollars of taxable income and at the rate of
10 two hundred eleven percent of such rate on all taxable income in excess
11 of one hundred thousand dollars. The resultant rates shall be rounded to
12 the nearest one hundredth of one percent;

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

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

23 (d) For taxable years beginning or deemed to begin on or after
24 January 1, 2023, ~~and before January 1, 2024,~~ at a rate equal to 5.58
25 percent on the first one hundred thousand dollars of taxable income and
26 at the rate of 5.84 ~~7.25~~ percent on all taxable income in excess of one
27 hundred thousand dollars. ;

28 ~~(e) For taxable years beginning or deemed to begin on or after~~
29 ~~January 1, 2024, and before January 1, 2025, at a rate equal to 5.58~~
30 ~~percent on the first one hundred thousand dollars of taxable income and~~
31 ~~at the rate of 6.50 percent on all taxable income in excess of one~~

1 ~~hundred thousand dollars;~~

2 ~~(f) For taxable years beginning or deemed to begin on or after~~
3 ~~January 1, 2025, and before January 1, 2026, at a rate equal to 5.58~~
4 ~~percent on the first one hundred thousand dollars of taxable income and~~
5 ~~at the rate of 6.24 percent on all taxable income in excess of one~~
6 ~~hundred thousand dollars;~~

7 ~~(g) For taxable years beginning or deemed to begin on or after~~
8 ~~January 1, 2026, and before January 1, 2027, at a rate equal to 5.58~~
9 ~~percent on the first one hundred thousand dollars of taxable income and~~
10 ~~at the rate of 6.00 percent on all taxable income in excess of one~~
11 ~~hundred thousand dollars; and~~

12 ~~(h) For taxable years beginning or deemed to begin on or after~~
13 ~~January 1, 2027, at a rate equal to 5.58 percent on the first one hundred~~
14 ~~thousand dollars of taxable income and at the rate of 5.84 percent on all~~
15 ~~taxable income in excess of one hundred thousand dollars.~~

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

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

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

1 77-2734.15.

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

4 Sec. 2. Original section 77-2734.02, Revised Statutes Cumulative
5 Supplement, 2022, is repealed.