

AMENDMENTS TO LB901
(Amendments to E&R amendments, ER133)

Introduced by Raybould, 28.

1 1. Insert the following new sections:

2 **Sec. 18.** Section 77-2715.03, Revised Statutes Cumulative Supplement,
3 2024, is amended to read:

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

7 Individual Income Tax Brackets and Rates

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

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

21 Individual Income Tax Brackets and Rates

22 Bracket	Single	Married,	Head of	Married,	Estates	Tax
23 Number	Individuals	Filing	Household	Filing	and	Rate
		Jointly		Separate	Trusts	
25 1	\$0-2,999	\$0-5,999	\$0-5,599	\$0-2,999	\$0-499	2.46%

1	2	\$3,000-	\$6,000-	\$5,600-	\$3,000-	\$500-	
2		17,999	35,999	28,799	17,999	4,699	3.51%
3	3	\$18,000-	\$36,000-	\$28,800-	\$18,000-	\$4,700-	Rate
4		28,999	57,999	42,999	28,999	15,149	Three
5	4	\$29,000	\$58,000	\$43,000	\$29,000	\$15,150	Rate
6		and Over	and Over	and Over	and Over	and Over	Four

7 (b) For purposes of this subsection, rate three shall be:
8 (i) 5.01% for taxable years beginning or deemed to begin on or after
9 January 1, 2014, and before January 1, 2026;
10 (ii) 4.55% for taxable years beginning or deemed to begin on or
11 after January 1, 2026, and before January 1, 2027; and
12 (iii) 4.27% ~~3.99%~~ for taxable years beginning or deemed to begin on
13 or after January 1, 2027, and before January 1, 2028; and -
14 (iv) 3.99% for taxable years beginning or deemed to begin on or
15 after January 1, 2028.
16 (c) For purposes of this subsection, rate four shall be:
17 (i) 6.84% for taxable years beginning or deemed to begin on or after
18 January 1, 2014, and before January 1, 2023;
19 (ii) 6.64% for taxable years beginning or deemed to begin on or
20 after January 1, 2023, and before January 1, 2024;
21 (iii) 5.84% for taxable years beginning or deemed to begin on or
22 after January 1, 2024, and before January 1, 2025;
23 (iv) 5.20% for taxable years beginning or deemed to begin on or
24 after January 1, 2025, and before January 1, 2026;
25 (v) 4.55% for taxable years beginning or deemed to begin on or after
26 January 1, 2026, and before January 1, 2027; and
27 (vi) 4.27% ~~3.99%~~ for taxable years beginning or deemed to begin on
28 or after January 1, 2027, and before January 1, 2028; and -
29 (vii) 3.99% for taxable years beginning or deemed to begin on or
30 after January 1, 2028.

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

11 (b)(i) For taxable years beginning or deemed to begin on or after
12 January 1, 2015, and before January 1, 2018, the Tax Commissioner shall
13 adjust the income tax brackets by the percentage determined pursuant to
14 the provisions of section 1(f) of the Internal Revenue Code of 1986, as
15 it existed prior to December 22, 2017, except that in section 1(f)(3)(B)
16 of the code the year 2013 shall be substituted for the year 1992. For
17 2015, the Tax Commissioner shall then determine the percent change from
18 the twelve months ending on August 31, 2013, to the twelve months ending
19 on August 31, 2014, and in each subsequent year, from the twelve months
20 ending on August 31, 2013, to the twelve months ending on August 31 of
21 the year preceding the taxable year. The Tax Commissioner shall prescribe
22 new tax rate schedules that apply in lieu of the schedules set forth in
23 subsection (2) of this section.

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

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

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

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

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

20 **Sec. 21.** Section 77-2734.02, Revised Statutes Cumulative Supplement,
21 2024, is amended to read:

22 77-2734.02 (1) Except as provided in subsection (2) of this section,
23 a tax is hereby imposed on the taxable income of every corporate taxpayer
24 that is doing business in this state:

25 (a) For taxable years beginning or deemed to begin before January 1,
26 2013, at a rate equal to one hundred fifty and eight-tenths percent of
27 the primary rate imposed on individuals under section 77-2701.01 on the
28 first one hundred thousand dollars of taxable income and at the rate of
29 two hundred eleven percent of such rate on all taxable income in excess
30 of one hundred thousand dollars. The resultant rates shall be rounded to
31 the nearest one hundredth of one percent;

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

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

11 (d) For taxable years beginning or deemed to begin on or after
12 January 1, 2023, and before January 1, 2024, at a rate equal to 5.58
13 percent on the first one hundred thousand dollars of taxable income and
14 at the rate of 7.25 percent on all taxable income in excess of one
15 hundred thousand dollars;

16 (e) For taxable years beginning or deemed to begin on or after
17 January 1, 2024, and before January 1, 2025, at a rate equal to 5.58
18 percent on the first one hundred thousand dollars of taxable income and
19 at the rate of 5.84 percent on all taxable income in excess of one
20 hundred thousand dollars;

21 (f) For taxable years beginning or deemed to begin on or after
22 January 1, 2025, and before January 1, 2026, at the rate of 5.20 percent
23 on all taxable income;

24 (g) For taxable years beginning or deemed to begin on or after
25 January 1, 2026, and before January 1, 2027, at the rate of 4.55 percent
26 on all taxable income; ~~and~~

27 (h) For taxable years beginning or deemed to begin on or after
28 January 1, 2027, and before January 1, 2028, at the rate of 4.27 ~~3.99~~
29 percent on all taxable income; and ~~-~~

30 (i) For taxable years beginning or deemed to begin on or after
31 January 1, 2028, at a rate of 3.99 percent on all taxable income.

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

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

13 (3) For a corporate taxpayer that is subject to tax in another
14 state, its taxable income shall be the portion of the taxpayer's federal
15 taxable income, as adjusted, that is determined to be connected with the
16 taxpayer's operations in this state pursuant to sections 77-2734.05 to
17 77-2734.15.

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

20 2. Renumber the remaining sections and correct internal references
21 accordingly.

22 3. Correct the operative date and repealer sections so that the
23 sections added by this amendment become operative three calendar months
24 after the adjournment of this legislative session.