

**ONE HUNDREDTH LEGISLATURE - SECOND SESSION -
2008**

COMMITTEE STATEMENT

LB887

Hearing Date: February 14, 2008

Committee On: Revenue

Introducer(s): (Burling)

Title: Change the corporate tax rate

Roll Call Vote - Final Committee Action:

Indefinitely Postponed

Vote Results:

5 Yes	Senators Burling, Janssen, Langemeier, Preister and Raikes
0 No	
2 Absent	Senators Dierks and White
1 Present, not voting	Senator Cornett

Proponents:

Senator Carroll Burling
Larry Kopsa
Phil Phillips
Bruce Bohrer
Bob Hallstrom

Representing:

Introducer
Nebraska State Chamber of Commerce
Greater Omaha Chamber of Commerce
Lincoln Chamber of Commerce
NE Federation of Independent Business,
Nebraska Bankers Association

Opponents:

None

Representing:

Neutral:

None

Representing:

Summary of purpose and/or change:

LB 887 would have amended section 77-2734.02 to lower the top corporate income tax rate and expand the lower bracket. Under current law, the first \$50,000 of corporate income is taxed at a rate of 158.8 percent of the primary rate (for a tax rate of 5.58 percent). Income in excess of \$50,000 is taxed at 211 percent of the primary rate (7.81 percent tax rate).

LB 887 would have extended the first bracket from \$50,000 to \$100,000. Corporate income in excess of \$100,000 was to be taxed at a rate of 185 percent of the primary rate (6.85 percent tax rate). The bill was to be operative for tax years beginning or deemed to begin on or after January 1, 2008.

Explanation of amendments, if any:

Senator Ray Janssen, Chairperson