

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

COMMITTEE STATEMENT

LB888

Hearing Date: February 14, 2008

Committee On: Revenue

Introducer(s): (Burling)

Title: Change corporate income tax calculations

Roll Call Vote - Final Committee Action:

Placed on General File with Amendments

Vote Results:

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

Proponents:

Senator Carroll Burling
Larry Kopsa

Representing:

Introducer
Nebraska State Chamber of Commerce

Opponents:

None

Representing:

Neutral:

None

Representing:

Summary of purpose and/or change:

LB 888 would amend section 77-2734.02 to expand the corporate income tax 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 888 would extend the first bracket from \$50,000 to \$200,000. Corporate income in excess of \$200,000 would still be taxed at the current rate of 7.81 percent. The bill would be operative for tax years beginning or deemed to begin on or after January 1, 2008.

Explanation of amendments, if any:

The Committee amendments would reduce the extension of the corporate income tax bracket to \$100,000.

Senator Ray Janssen, Chairperson