

LEGISLATURE OF NEBRASKA
ONE HUNDREDTH LEGISLATURE
SECOND SESSION
LEGISLATIVE BILL 888

FINAL READING

Introduced by Burling, 33; Gay, 14; Pirsch, 4.

Read first time January 11, 2008

Committee: Revenue

A BILL

1 FOR AN ACT relating to revenue and taxation; to amend section
2 77-2734.02, Reissue Revised Statutes of Nebraska; to
3 change corporate income tax calculations; to provide an
4 operative date; and to repeal the original section.
5 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-2734.02, Reissue Revised Statutes
2 of Nebraska, is amended to read:

3 77-2734.02 (1) Except as provided in subsection (2) of
4 this section, a tax is hereby imposed for each taxable year on the
5 taxable income of every corporate taxpayer that is doing business
6 in this state at a rate equal to one hundred fifty and eight-tenths
7 percent of the primary rate imposed on individuals under section
8 77-2701.01 on the first ~~fifty~~ one hundred thousand dollars of
9 taxable income and at the rate of two hundred eleven percent of
10 such rate on all taxable income in excess of ~~fifty~~ one hundred
11 thousand dollars. The resultant rates shall be rounded to the
12 nearest one hundredth of one percent. ~~(a)~~ For corporate taxpayers
13 with a fiscal year that does not coincide with the calendar year,
14 the individual rate used for this subsection shall be the rate in
15 effect on the first day, or the day deemed to be the first day, of
16 the taxable year.

17 ~~(b) For fiscal years beginning before January 1, 1968,~~
18 ~~the rate initially set shall apply for the period from January 1,~~
19 ~~1968, to the end of that fiscal year.~~

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

1 on Nebraska domiciled insurance companies a retaliatory tax against
2 the tax described in subsection (1) of this section.

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

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

10 Sec. 2. This act becomes operative for all taxable years
11 beginning or deemed to begin on or after January 1, 2008, under the
12 Internal Revenue Code of 1986, as amended.

13 Sec. 3. Original section 77-2734.02, Reissue Revised
14 Statutes of Nebraska, is repealed.