



Hundredth Legislature - Second Session - 2008
Introducer's Statement of Intent
LB 887

Chairperson: Ray Janssen
Committee: Revenue
Date of Hearing: February 14, 2008

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB 887 changes the corporate income tax rate bracket level from \$50,000 to \$100,000 and lowers the top bracket rate from 7.81 percent to 6.84 percent. Original language states that a tax is hereby imposed on the taxable income of every corporate taxpayer that is doing business in this state at a rate equal to one hundred fifty and eight-tenths percent (5.58 percent) of the primary rate imposed on individuals under section 77.2701.01 on the first \$50,000 and two hundred eleven percent (7.81 percent) on income in excess of \$50,000. The purpose of this change in the bracket amount is to lessen the effect of inflation, since the threshold has not been adjusted since 1975.

This bill changes the language to read that this tax be paid at a rate equal to one hundred fifty and eight-tenths percent of the first \$100,000 and one hundred eighty-five percent (6.84 percent) in excess of \$100,000. The tax rate adjustment would be changed to reflect the top married filing jointly individual income tax rate.

Principal Introducer: _____
Senator Carroll Burling