

One Hundred Second Legislature - Second Session - 2012

Introducer's Statement of Intent

LB1117

Chairperson: Senator Abbie Cornett

Committee: Revenue

Date of Hearing: February 08, 2012

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

LB 1117 would repeal Nebraska's alternative minimum tax (AMT). That tax is imposed on resident, partial-year resident, and nonresident individual income taxpayers and resident and nonresident estates and trusts that must pay Nebraska income taxes.

Under current law, Nebraska's AMT is imposed at a rate of 29.6 percent of the taxpayer's federal AMT liability. The AMT rate is required by statute to equal 8 times Nebraska's "primary rate" which is 3.7 percent under current law.

LB 1117 would also repeal Nebraska's related "prior year" AMT credit for individual income taxpayers and estates and trusts that must pay Nebraska income taxes.

Nebraska's AMT and its "prior year" AMT credit would be repealed operative for tax years beginning or deemed to begin on or after January 1, 2013.

Principal Introducer: _____

Senator Abbie Cornett