

One Hundred Third Legislature - First Session - 2013

Introducer's Statement of Intent

LB308

Chairperson: Senator Galen Hadley

Committee: Revenue

Date of Hearing: February 21, 2013

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

LB 308 adds the Alternative Minimum Tax (AMT) to the vast number of issues that need to be closely examined in a sound and consistent tax policy.

Nebraska is one of only nine states with an AMT still on the books. The bill would repeal the AMT and its related "prior year" AMT credit for individual income taxpayers and estates and trusts required to pay Nebraska income taxes.

The AMT rate is required by statute to equal eight times Nebraska's "primary rate", which is currently 3.70 percent, making Nebraska's AMT rate 29.6 percent of the taxpayer's federal AMT liability.

LB308 would repeal the AMT and the "prior year" AMT credit effective for tax years beginning or deemed to begin on or after January 1, 2014.

Principal Introducer: _____

Senator Paul Schumacher