

LEGISLATURE OF NEBRASKA
ONE HUNDRED FIFTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 728

Introduced by Wayne, 13.

Read first time January 03, 2018

Committee: Revenue

- 1 A BILL FOR AN ACT relating to revenue and taxation; to amend section
- 2 77-2715.03, Revised Statutes Cumulative Supplement, 2016; to change
- 3 provisions relating to individual income tax brackets and rates; to
- 4 harmonize provisions; and to repeal the original section.
- 5 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-2715.03, Revised Statutes Cumulative
2 Supplement, 2016, is amended to read:

3 77-2715.03 (1) For taxable years beginning or deemed to begin on or
4 after January 1, 2013, and before January 1, 2014, the following brackets
5 and rates are hereby established for the Nebraska individual income tax:

6 Individual Income Tax Brackets and Rates

7 Bracket	Single	Married,	Head of	Married,	Estates	Tax
8 Number	Individuals	Filing	Household	Filing	and	Rate
		Jointly		Separate	Trusts	
10 1	\$0-2,399	\$0-4,799	\$0-4,499	\$0-2,399	\$0-499	2.46%
11 2	\$2,400-	\$4,800-	\$4,500-	\$2,400-	\$500-	
12	17,499	34,999	27,999	17,499	4,699	3.51%
13 3	\$17,500-	\$35,000-	\$28,000-	\$17,500-	\$4,700-	
14	26,999	53,999	39,999	26,999	15,149	5.01%
15 4	\$27,000	\$54,000	\$40,000	\$27,000	\$15,150	
16	and Over	and Over	and Over	and Over	and Over	6.84%

17 (2) For taxable years beginning or deemed to begin on or after
18 January 1, 2014, and before January 1, 2019, the following brackets and
19 rates are hereby established for the Nebraska individual income tax:

20 Individual Income Tax Brackets and Rates

21 Bracket	Single	Married,	Head of	Married,	Estates	Tax
22 Number	Individuals	Filing	Household	Filing	and	Rate
		Jointly		Separate	Trusts	
24 1	\$0-2,999	\$0-5,999	\$0-5,599	\$0-2,999	\$0-499	2.46%
25 2	\$3,000-	\$6,000-	\$5,600-	\$3,000-	\$500-	
26	17,999	35,999	28,799	17,999	4,699	3.51%
27 3	\$18,000-	\$36,000-	\$28,800-	\$18,000-	\$4,700-	
28	28,999	57,999	42,999	28,999	15,149	5.01%
29 4	\$29,000	\$58,000	\$43,000	\$29,000	\$15,150	
30	and Over	and Over	and Over	and Over	and Over	6.84%

1 (3) For taxable years beginning or deemed to begin on or after
 2 January 1, 2019, the following brackets and rates are hereby established
 3 for the Nebraska individual income tax:

4 Individual Income Tax Brackets and Rates

5 <u>Bracket</u>	<u>Single</u>	<u>Married,</u>	<u>Head of</u>	<u>Married,</u>	<u>Estates</u>	<u>Tax</u>
6 <u>Number</u>	<u>Individuals</u>	<u>Filing</u>	<u>Household</u>	<u>Filing</u>	<u>and</u>	<u>Rate</u>
		<u>Jointly</u>		<u>Separate</u>	<u>Trusts</u>	
8 <u>1</u>	<u>\$0-2,999</u>	<u>\$0-5,999</u>	<u>\$0-5,599</u>	<u>\$0-2,999</u>	<u>\$0-499</u>	<u>2.46%</u>
9 <u>2</u>	<u>\$3,000-</u>	<u>\$6,000-</u>	<u>\$5,600-</u>	<u>\$3,000-</u>	<u>\$500-</u>	
10 <u>17,999</u>	<u>35,999</u>	<u>28,799</u>	<u>17,999</u>	<u>4,699</u>	<u>3.51%</u>	
11 <u>3</u>	<u>\$18,000-</u>	<u>\$36,000-</u>	<u>\$28,800-</u>	<u>\$18,000-</u>	<u>\$4,700-</u>	
12 <u>28,999</u>	<u>57,999</u>	<u>42,999</u>	<u>28,999</u>	<u>15,149</u>	<u>5.01%</u>	
13 <u>4</u>	<u>\$29,000-</u>	<u>\$58,000-</u>	<u>\$43,000-</u>	<u>\$29,000-</u>	<u>\$15,150-</u>	
14 <u>2,499,999</u>	<u>4,999,999</u>	<u>2,499,999</u>	<u>2,499,999</u>	<u>2,499,999</u>	<u>2,499,999</u>	<u>6.84%</u>
15 <u>5</u>	<u>\$2,500,000</u>	<u>\$5,000,000</u>	<u>\$2,500,000</u>	<u>\$2,500,000</u>	<u>\$2,500,000</u>	
16 <u>and Over</u>	<u>and Over</u>	<u>and Over</u>	<u>and Over</u>	<u>and Over</u>	<u>and Over</u>	<u>7.84%</u>

17 (4)(a) ~~(3)(a)~~ For taxable years beginning or deemed to begin on or
 18 after January 1, 2015, the minimum and maximum dollar amounts for each
 19 income tax bracket provided in subsections ~~subsection~~ (2) and (3) of this
 20 section shall be adjusted for inflation by the percentage determined
 21 under subdivision (4)(b) ~~(3)(b)~~ of this section. The rate applicable to
 22 any such income tax bracket shall not be changed as part of any
 23 adjustment under this subsection. The minimum and maximum dollar amounts
 24 for each income tax bracket as adjusted shall be rounded to the nearest
 25 ten-dollar amount. If the adjusted amount for any income tax bracket ends
 26 in a five, it shall be rounded up to the nearest ten-dollar amount.

27 (b) The Tax Commissioner shall adjust the income tax brackets by the
 28 percentage determined pursuant to the provisions of section 1(f) of the
 29 Internal Revenue Code of 1986, as amended, except that in section 1(f)(3)
 30 (B) of the code the year 2013 shall be substituted for the year 1992. For
 31 2015, the Tax Commissioner shall then determine the percent change from

1 the twelve months ending on August 31, 2013, to the twelve months ending
2 on August 31, 2014, and in each subsequent year, from the twelve months
3 ending on August 31, 2013, to the twelve months ending on August 31 of
4 the year preceding the taxable year. The Tax Commissioner shall prescribe
5 new tax rate schedules that apply in lieu of the schedules set forth in
6 subsections ~~subsection~~ (2) and (3) of this section.

7 (5) (4) Whenever the tax brackets or tax rates are changed by the
8 Legislature, the Tax Commissioner shall update the tax rate schedules to
9 reflect the new tax brackets or tax rates and shall publish such updated
10 schedules.

11 (6) (5) The Tax Commissioner shall prepare, from the rate schedules,
12 tax tables which can be used by a majority of the taxpayers to determine
13 their Nebraska tax liability. The design of the tax tables shall be
14 determined by the Tax Commissioner. The size of the tax table brackets
15 may change as the level of income changes. The difference in tax between
16 two tax table brackets shall not exceed fifteen dollars. The Tax
17 Commissioner may build the personal exemption credit and standard
18 deduction amounts into the tax tables.

19 (7) (6) For taxable years beginning or deemed to begin on or after
20 January 1, 2013, the tax rate applied to other federal taxes included in
21 the computation of the Nebraska individual income tax shall be 29.6
22 percent.

23 (8) (7) The Tax Commissioner may require by rule and regulation that
24 all taxpayers shall use the tax tables if their income is less than the
25 maximum income included in the tax tables.

26 Sec. 2. Original section 77-2715.03, Revised Statutes Cumulative
27 Supplement, 2016, is repealed.