

AMENDMENTS TO LB939  
(Amendments to Final Reading copy)

Introduced by Briese, 41.

1           1. Strike the original sections and insert the following new  
2 sections:

3           Section 1. Section 77-2715.03, Reissue Revised Statutes of Nebraska,  
4 is amended to read:

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

8                           Individual Income Tax Brackets and Rates

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

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

22                           Individual Income Tax Brackets and Rates

23 Bracket	Single	Married,	Head of	Married,	Estates	Tax
24 Number	Individuals	Filing	Household	Filing	and	Rate
25		Jointly		Separate	Trusts	

1	1	\$0-2,999	\$0-5,999	\$0-5,599	\$0-2,999	\$0-499	2.46%
2	2	\$3,000-	\$6,000-	\$5,600-	\$3,000-	\$500-	
3		17,999	35,999	28,799	17,999	4,699	3.51%
4	3	\$18,000-	\$36,000-	\$28,800-	\$18,000-	\$4,700-	
5		28,999	57,999	42,999	28,999	15,149	5.01%
6	<u>4</u>	<u>\$29,000</u>	<u>\$58,000</u>	<u>\$43,000</u>	<u>\$29,000</u>	<u>\$15,150</u>	
7		<u>and Over</u>	<u>and Over</u>	<u>and Over</u>	<u>and Over</u>	<u>and Over</u>	<u>Top Rate</u>
8	4	\$29,000	\$58,000	\$43,000	\$29,000	\$15,150	
9		<del>and Over</del>	<del>and Over</del>	<del>and Over</del>	<del>and Over</del>	<del>and Over</del>	6.84%

10 For purposes of this subsection, the top rate shall be:

11 (a) 6.84% for taxable years beginning or deemed to begin on or after  
12 January 1, 2014, and before January 1, 2023;

13 (b) 6.64% for taxable years beginning or deemed to begin on or after  
14 January 1, 2023, and before January 1, 2024;

15 (c) 6.44% for taxable years beginning or deemed to begin on or after  
16 January 1, 2024, and before January 1, 2025;

17 (d) 6.24% for taxable years beginning or deemed to begin on or after  
18 January 1, 2025, and before January 1, 2026;

19 (e) 6.00% for taxable years beginning or deemed to begin on or after  
20 January 1, 2026, and before January 1, 2027; and

21 (f) 5.84% for taxable years beginning or deemed to begin on or after  
22 January 1, 2027.

23 (3)(a) For taxable years beginning or deemed to begin on or after  
24 January 1, 2015, the minimum and maximum dollar amounts for each income  
25 tax bracket provided in subsection (2) of this section shall be adjusted  
26 for inflation by the percentage determined under subdivision (3)(b) of  
27 this section. The rate applicable to any such income tax bracket shall  
28 not be changed as part of any adjustment under this subsection. The  
29 minimum and maximum dollar amounts for each income tax bracket as  
30 adjusted shall be rounded to the nearest ten-dollar amount. If the

1 adjusted amount for any income tax bracket ends in a five, it shall be  
2 rounded up to the nearest ten-dollar amount.

3 (b)(i) For taxable years beginning or deemed to begin on or after  
4 January 1, 2015, and before January 1, 2018, the Tax Commissioner shall  
5 adjust the income tax brackets by the percentage determined pursuant to  
6 the provisions of section 1(f) of the Internal Revenue Code of 1986, as  
7 it existed prior to December 22, 2017, except that in section 1(f)(3)(B)  
8 of the code the year 2013 shall be substituted for the year 1992. For  
9 2015, the Tax Commissioner shall then determine the percent change from  
10 the twelve months ending on August 31, 2013, to the twelve months ending  
11 on August 31, 2014, and in each subsequent year, from the twelve months  
12 ending on August 31, 2013, to the twelve months ending on August 31 of  
13 the year preceding the taxable year. The Tax Commissioner shall prescribe  
14 new tax rate schedules that apply in lieu of the schedules set forth in  
15 subsection (2) of this section.

16 (ii) For taxable years beginning or deemed to begin on or after  
17 January 1, 2018, the Tax Commissioner shall adjust the income tax  
18 brackets based on the percentage change in the Consumer Price Index for  
19 All Urban Consumers published by the federal Bureau of Labor Statistics  
20 from the twelve months ending on August 31, 2016, to the twelve months  
21 ending on August 31 of the year preceding the taxable year. The Tax  
22 Commissioner shall prescribe new tax rate schedules that apply in lieu of  
23 the schedules set forth in subsection (2) of this section.

24 (4) Whenever the tax brackets or tax rates are changed by the  
25 Legislature, the Tax Commissioner shall update the tax rate schedules to  
26 reflect the new tax brackets or tax rates and shall publish such updated  
27 schedules.

28 (5) The Tax Commissioner shall prepare, from the rate schedules, tax  
29 tables which can be used by a majority of the taxpayers to determine  
30 their Nebraska tax liability. The design of the tax tables shall be  
31 determined by the Tax Commissioner. The size of the tax table brackets

1 may change as the level of income changes. The difference in tax between  
2 two tax table brackets shall not exceed fifteen dollars. The Tax  
3 Commissioner may build the personal exemption credit and standard  
4 deduction amounts into the tax tables.

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

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

12 Sec. 2. Section 77-2734.02, Revised Statutes Supplement, 2021, is  
13 amended to read:

14 77-2734.02 (1) Except as provided in subsection (2) of this section,  
15 a tax is hereby imposed on the taxable income of every corporate taxpayer  
16 that is doing business in this state:

17 (a) For taxable years beginning or deemed to begin before January 1,  
18 2013, at a rate equal to one hundred fifty and eight-tenths percent of  
19 the primary rate imposed on individuals under section 77-2701.01 on the  
20 first one hundred thousand dollars of taxable income and at the rate of  
21 two hundred eleven percent of such rate on all taxable income in excess  
22 of one hundred thousand dollars. The resultant rates shall be rounded to  
23 the nearest one hundredth of one percent;

24 (b) For taxable years beginning or deemed to begin on or after  
25 January 1, 2013, and before January 1, 2022, at a rate equal to 5.58  
26 percent on the first one hundred thousand dollars of taxable income and  
27 at the rate of 7.81 percent on all taxable income in excess of one  
28 hundred thousand dollars;

29 (c) For taxable years beginning or deemed to begin on or after  
30 January 1, 2022, and before January 1, 2023, at a rate equal to 5.58  
31 percent on the first one hundred thousand dollars of taxable income and

1 at the rate of 7.50 percent on all taxable income in excess of one  
2 hundred thousand dollars; ~~and~~

3 (d) For taxable years beginning or deemed to begin on or after  
4 January 1, 2023, and before January 1, 2024, at a rate equal to 5.58  
5 percent on the first one hundred thousand dollars of taxable income and  
6 at the rate of 7.25 percent on all taxable income in excess of one  
7 hundred thousand dollars; ~~and~~

8 (e) For taxable years beginning or deemed to begin on or after  
9 January 1, 2024, and before January 1, 2025, at a rate equal to 5.58  
10 percent on the first one hundred thousand dollars of taxable income and  
11 at the rate of 6.50 percent on all taxable income in excess of one  
12 hundred thousand dollars;

13 (f) For taxable years beginning or deemed to begin on or after  
14 January 1, 2025, and before January 1, 2026, at a rate equal to 5.58  
15 percent on the first one hundred thousand dollars of taxable income and  
16 at the rate of 6.24 percent on all taxable income in excess of one  
17 hundred thousand dollars;

18 (g) For taxable years beginning or deemed to begin on or after  
19 January 1, 2026, and before January 1, 2027, at a rate equal to 5.58  
20 percent on the first one hundred thousand dollars of taxable income and  
21 at the rate of 6.00 percent on all taxable income in excess of one  
22 hundred thousand dollars; and

23 (h) For taxable years beginning or deemed to begin on or after  
24 January 1, 2027, at a rate equal to 5.58 percent on the first one hundred  
25 thousand dollars of taxable income and at the rate of 5.84 percent on all  
26 taxable income in excess of one hundred thousand dollars.

27 ~~It is the intent of the Legislature to enact legislation after~~  
28 ~~August 28, 2021, to lower the tax rate applicable to income in excess of~~  
29 ~~one hundred thousand dollars to 7.00 percent for taxable years beginning~~  
30 ~~or deemed to begin on or after January 1, 2024, and before January 1,~~  
31 ~~2025, and to 6.84 percent for taxable years beginning or deemed to begin~~

1 ~~on or after January 1, 2025.~~

2 For corporate taxpayers with a fiscal year that does not coincide  
3 with the calendar year, the individual rate used for this subsection  
4 shall be the rate in effect on the first day, or the day deemed to be the  
5 first day, of the taxable year.

6 (2) An insurance company shall be subject to taxation at the lesser  
7 of the rate described in subsection (1) of this section or the rate of  
8 tax imposed by the state or country in which the insurance company is  
9 domiciled if the insurance company can establish to the satisfaction of  
10 the Tax Commissioner that it is domiciled in a state or country other  
11 than Nebraska that imposes on Nebraska domiciled insurance companies a  
12 retaliatory tax against the tax described in subsection (1) of this  
13 section.

14 (3) For a corporate taxpayer that is subject to tax in another  
15 state, its taxable income shall be the portion of the taxpayer's federal  
16 taxable income, as adjusted, that is determined to be connected with the  
17 taxpayer's operations in this state pursuant to sections 77-2734.05 to  
18 77-2734.15.

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

21 Sec. 3. Section 77-6701, Revised Statutes Cumulative Supplement,  
22 2020, is amended to read:

23 77-6701 Sections 77-6701 to 77-6705 and section 6 of this act shall  
24 be known and may be cited as the Nebraska Property Tax Incentive Act.

25 Sec. 4. Section 77-6702, Revised Statutes Cumulative Supplement,  
26 2020, is amended to read:

27 77-6702 For purposes of the Nebraska Property Tax Incentive Act:

28 (1) Allowable growth percentage means the percentage increase, if  
29 any, in the total assessed value of all real property in the state from  
30 the prior year to the current year, as determined by the department,  
31 ~~except that in no case shall the allowable growth percentage exceed five~~

1 ~~percent in any one year;~~

2 (2) Community college taxes means property taxes levied on real  
3 property in this state by a community college area, excluding any  
4 property taxes levied for bonded indebtedness and any property taxes  
5 levied as a result of an override of limits on property tax levies  
6 approved by voters pursuant to section 77-3444;

7 (3) (2) Department means the Department of Revenue;

8 (4) (3) Eligible taxpayer means any individual, corporation,  
9 partnership, limited liability company, trust, estate, or other entity  
10 that pays school district taxes or community college taxes during a  
11 taxable year; and

12 (5) (4) School district taxes means property taxes levied on real  
13 property in this state by a school district or multiple-district school  
14 system, excluding any property taxes levied for bonded indebtedness and  
15 any property taxes levied as a result of an override of limits on  
16 property tax levies approved by voters pursuant to section 77-3444.

17 Sec. 5. Section 77-6703, Revised Statutes Supplement, 2021, is  
18 amended to read:

19 77-6703 (1) For taxable years beginning or deemed to begin on or  
20 after January 1, 2020, under the Internal Revenue Code of 1986, as  
21 amended, there shall be allowed to each eligible taxpayer a refundable  
22 credit against the income tax imposed by the Nebraska Revenue Act of 1967  
23 or against the franchise tax imposed by sections 77-3801 to 77-3807. The  
24 credit shall be equal to the credit percentage for the taxable year, as  
25 set by the department under subsection (2) of this section, multiplied by  
26 the amount of school district taxes paid by the eligible taxpayer during  
27 such taxable year.

28 (2)(a) For taxable years beginning or deemed to begin during  
29 calendar year 2020, the department shall set the credit percentage so  
30 that the total amount of credits for such taxable years shall be one  
31 hundred twenty-five million dollars;

1 (b) For taxable years beginning or deemed to begin during calendar  
2 year 2021, the department shall set the credit percentage so that the  
3 total amount of credits for such taxable years shall be one hundred  
4 twenty-five million dollars plus either (i) the amount calculated for  
5 such calendar year under subdivision (3)(b)(ii)(B) of section 77-4602 or  
6 (ii) the amount calculated for such calendar year under subdivision (3)  
7 (c)(ii)(B) of section 77-4602, whichever is applicable;

8 (c) For taxable years beginning or deemed to begin during calendar  
9 year 2022, the department shall set the credit percentage so that the  
10 total amount of credits for such taxable years shall be five hundred  
11 forty-eight million dollars ~~the maximum amount of credits allowed under~~  
12 ~~subdivision (2)(b) of this section plus either (i) the amount calculated~~  
13 ~~for such calendar year under subdivision (3)(b)(ii)(B) of section 77-4602~~  
14 ~~or (ii) the amount calculated for such calendar year under subdivision~~  
15 ~~(3)(c)(ii)(B) of section 77-4602, whichever is applicable;~~

16 (d) For taxable years beginning or deemed to begin during calendar  
17 year 2023, the department shall set the credit percentage so that the  
18 total amount of credits for such taxable years shall be five hundred  
19 sixty million seven hundred thousand dollars ~~the maximum amount of~~  
20 ~~credits allowed under subdivision (2)(c) of this section plus either (i)~~  
21 ~~the amount calculated for such calendar year under subdivision (3)(b)(ii)~~  
22 ~~(B) of section 77-4602 or (ii) the amount calculated for such calendar~~  
23 ~~year under subdivision (3)(c)(ii)(B) of section 77-4602, whichever is~~  
24 ~~applicable; and~~

25 ~~(e) For taxable years beginning or deemed to begin during calendar~~  
26 ~~year 2024, the department shall set the credit percentage so that the~~  
27 ~~total amount of credits for such taxable years shall be three hundred~~  
28 ~~seventy-five million dollars; and~~

29 (e) (f) For taxable years beginning or deemed to begin during  
30 calendar year 2024 ~~2025~~ and each calendar year thereafter, the department  
31 shall set the credit percentage so that the total amount of credits for



1 such taxable years shall be the maximum amount of credits allowed in the  
2 prior year increased by the allowable growth percentage.

3 (3) If the school district taxes are paid by a corporation having an  
4 election in effect under subchapter S of the Internal Revenue Code, a  
5 partnership, a limited liability company, a trust, or an estate, the  
6 amount of school district taxes paid during the taxable year may be  
7 allocated to the shareholders, partners, members, or beneficiaries in the  
8 same proportion that income is distributed for taxable years beginning or  
9 deemed to begin before January 1, 2021, under the Internal Revenue Code  
10 of 1986, as amended. The department shall provide forms and schedules  
11 necessary for verifying eligibility for the credit provided in this  
12 section and for allocating the school district taxes paid. For taxable  
13 years beginning or deemed to begin on or after January 1, 2021, under the  
14 Internal Revenue Code of 1986, as amended, the refundable credit shall be  
15 claimed by the corporation having an election in effect under subchapter  
16 S of the Internal Revenue Code, the partnership, the limited liability  
17 company, the trust, or the estate that paid the school district taxes.

18 (4) For any fiscal year or short year taxpayer, the credit may be  
19 claimed in the first taxable year that begins following the calendar year  
20 for which the credit percentage was determined. The credit shall be taken  
21 for the school district taxes paid by the taxpayer during the immediately  
22 preceding calendar year.

23 (5) For the first taxable year beginning or deemed to begin on or  
24 after January 1, 2021, and before January 1, 2022, under the Internal  
25 Revenue Code of 1986, as amended, for a corporation having an election in  
26 effect under subchapter S of the Internal Revenue Code, a partnership, a  
27 limited liability company, a trust, or an estate that paid school  
28 district taxes in calendar year 2020 but did not claim the credit  
29 directly or allocate such school district taxes to the shareholders,  
30 partners, members, or beneficiaries as permitted under subsection (3) of  
31 this section, there shall be allowed an additional refundable credit.

1 This credit shall be equal to six percent, multiplied by the amount of  
2 school district taxes paid during 2020 by the eligible taxpayer.

3 Sec. 6. (1) For taxable years beginning or deemed to begin on or  
4 after January 1, 2022, under the Internal Revenue Code of 1986, as  
5 amended, there shall be allowed to each eligible taxpayer a refundable  
6 credit against the income tax imposed by the Nebraska Revenue Act of 1967  
7 or against the franchise tax imposed by sections 77-3801 to 77-3807. The  
8 credit shall be equal to the credit percentage for the taxable year, as  
9 set by the department under subsection (2) of this section, multiplied by  
10 the amount of community college taxes paid by the eligible taxpayer  
11 during such taxable year.

12 (2)(a) For taxable years beginning or deemed to begin during  
13 calendar year 2022, the department shall set the credit percentage so  
14 that the total amount of credits for such taxable years shall be fifty  
15 million dollars;

16 (b) For taxable years beginning or deemed to begin during calendar  
17 year 2023, the department shall set the credit percentage so that the  
18 total amount of credits for such taxable years shall be one hundred  
19 million dollars;

20 (c) For taxable years beginning or deemed to begin during calendar  
21 year 2024, the department shall set the credit percentage so that the  
22 total amount of credits for such taxable years shall be one hundred  
23 twenty-five million dollars;

24 (d) For taxable years beginning or deemed to begin during calendar  
25 year 2025, the department shall set the credit percentage so that the  
26 total amount of credits for such taxable years shall be one hundred fifty  
27 million dollars;

28 (e) For taxable years beginning or deemed to begin during calendar  
29 year 2026, the department shall set the credit percentage so that the  
30 total amount of credits for such taxable years shall be one hundred  
31 ninety-five million dollars; and

1           (f) For taxable years beginning or deemed to begin during calendar  
2 year 2027 and each calendar year thereafter, the department shall set the  
3 credit percentage so that the total amount of credits for such taxable  
4 years shall be the maximum amount of credits allowed in the prior year  
5 increased by the allowable growth percentage.

6           (3) If the community college taxes are paid by a corporation having  
7 an election in effect under subchapter S of the Internal Revenue Code, a  
8 partnership, a limited liability company, a trust, or an estate, the  
9 refundable credit shall be claimed by such corporation, partnership,  
10 limited liability company, trust, or estate.

11           (4) For any fiscal year or short year taxpayer, the credit may be  
12 claimed in the first taxable year that begins following the calendar year  
13 for which the credit percentage was determined. The credit shall be taken  
14 for the community college taxes paid by the taxpayer during the  
15 immediately preceding calendar year.

16           Sec. 7. Original section 77-2715.03, Reissue Revised Statutes of  
17 Nebraska, sections 77-6701 and 77-6702, Revised Statutes Cumulative  
18 Supplement, 2020, and sections 77-2734.02 and 77-6703, Revised Statutes  
19 Supplement, 2021, are repealed.