

One Hundred Eighth Legislature - First Session - 2023

Introducer's Statement of Intent

LB492

Chairperson: Senator Lou Ann Linehan

Committee: Revenue

Date of Hearing: February 08, 2023

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

The Tax Cuts and Jobs Act (TCJA) temporarily eliminated the factory tax by creating the immediate cost recovery for investments in business machinery and equipment.

This provision expired under federal tax law beginning Jan. 1, 2023, reverting Nebraska businesses to amortizing these costs, effectively raising taxes on critical investments needed to grow Nebraska's economy and invest in our workforce. LB492 will allow this provision to remain in place. This is not a tax cut or increase as it will remain in the state tax baseline. However, it will allow for Nebraska to remain competitive for new capital investments.

Principal Introducer: _____

Senator R. Brad von Gillern