

LEGISLATURE OF NEBRASKA  
ONE HUNDRED NINTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 297**

Introduced by Ibach, 44.

Read first time January 15, 2025

Committee: Business and Labor

- 1 A BILL FOR AN ACT relating to the Employment Security Law; to amend
- 2 section 48-649.03, Revised Statutes Cumulative Supplement, 2024; to
- 3 change provisions relating to the combined tax rate; to repeal the
- 4 original section; and to declare an emergency.
- 5 Be it enacted by the people of the State of Nebraska,

1           **Section 1.** Section 48-649.03, Revised Statutes Cumulative  
2 Supplement, 2024, is amended to read:

3           48-649.03 (1) Once benefits have been payable from and chargeable to  
4 an employer's experience account throughout the preceding four calendar  
5 quarters and wages for employment have been paid by the employer in each  
6 of the two preceding four-calendar-quarter periods, the employer's  
7 combined tax rate shall be calculated according to this section. The  
8 combined tax rate shall be based upon the employer's experience rating  
9 record and determined from the employer's reserve ratio.

10           (2) The employer's reserve ratio is the percent obtained by dividing  
11 (a) the amount by which the employer's contributions credited from the  
12 time the employer first or most recently became an employer, whichever  
13 date is later, and up to and including September 30 of the year the rate  
14 computation is made, plus any part of the employer's contributions due  
15 for that year paid on or before October 31 of such year, exceed the  
16 employer's benefits charged during the same period, by (b) the employer's  
17 average annual taxable payroll for the sixteen-consecutive-calendar-  
18 quarter period ending September 30 of the year in which the rate  
19 computation is made. For an employer with less than sixteen consecutive  
20 calendar quarters of contribution experience, the employer's average  
21 taxable payroll shall be determined based upon the four-calendar-quarter  
22 periods for which contributions were payable.

23           (3) Each eligible experience rated employer shall be assigned to one  
24 of twenty rate categories with a corresponding experience factor as  
25 follows:

26	Category	Experience Factor
27	1	0.00
28	2	0.25
29	3	0.40
30	4	0.45
31	5	0.50

1	6	0.60
2	7	0.65
3	8	0.70
4	9	0.80
5	10	0.90
6	11	0.95
7	12	1.00
8	13	1.05
9	14	1.10
10	15	1.20
11	16	1.35
12	17	1.55
13	18	1.80
14	19	2.15
15	20	2.60

16 Eligible experience rated employers shall be assigned to rate  
17 categories from highest to lowest according to their experience reserve  
18 ratio, with category one assigned to accounts with the highest reserve  
19 ratios and category twenty assigned to accounts with the lowest reserve  
20 ratios. Each category shall be limited to no more than five percent of  
21 the state's total taxable payroll, except that:

22 (a) Any employer with a portion of its taxable wages falling into  
23 two consecutive categories shall be assigned to the lower category;

24 (b) No employer with a reserve ratio calculated to five decimal  
25 places equal to the similarly calculated reserve ratio of another  
26 employer shall be assigned to a higher rate than the employer to which it  
27 has the equal reserve ratio; and

28 (c) No employer with a positive experience account balance shall be  
29 assigned to category twenty.

30 (4) The state's reserve ratio shall be calculated annually by  
31 dividing the amount available to pay benefits in the Unemployment Trust

1 Fund and the State Unemployment Insurance Trust Fund as of September 30,  
2 plus any amount of combined tax owed by employers eligible for and  
3 electing annual payment status for the four most recent quarters ending  
4 on September 30 in accordance with rules and regulations adopted by the  
5 commissioner, by the state's total wages for contributory employers from  
6 the four calendar quarters ending on September 30. For purposes of this  
7 section, total wages for contributory employers means all remuneration  
8 paid by a contributory ~~an~~ employer in employment. The state's reserve  
9 ratio shall be applied to the table in this subsection to determine the  
10 yield factor for the upcoming rate year.

11 State's Reserve Ratio	Yield Factor
12 1.75 percent and above	= 0.50
13 1.60 percent up to but not including 1.75	= 0.60
14 1.45 percent up to but not including 1.60	= 0.70
15 1.30 percent up to but not including 1.45	= 0.75
16 1.15 percent up to but not including 1.30	= 0.80
17 1.00 percent up to but not including 1.15	= 0.90
18 0.85 percent up to but not including 1.00	= 1.00
19 0.70 percent up to but not including 0.85	= 1.10
20 0.60 percent up to but not including 0.70	= 1.20
21 0.50 percent up to but not including 0.60	= 1.25
22 0.45 percent up to but not including 0.50	= 1.30
23 0.40 percent up to but not including 0.45	= 1.35
24 0.35 percent up to but not including 0.40	= 1.40
25 0.30 percent up to but not including 0.35	= 1.45
26 Below 0.30 percent	= 1.50

27 The commissioner may adjust the yield factor determined pursuant to  
28 the preceding table to a lower scheduled yield factor if the state's  
29 reserve ratio is 0.70 ~~1.00~~ percent or greater. Once the yield factor for  
30 the upcoming rate year has been determined, it is multiplied by the  
31 amount of unemployment benefits paid from combined tax during the four

1 calendar quarters ending September 30 of the preceding year. The  
2 resulting figure is the planned yield for the rate year. The planned  
3 yield is divided by the total taxable wages for contributory employers  
4 for the four calendar quarters ending September 30 of the previous year  
5 and carried to four decimal places to create the average combined tax  
6 rate for the rate year. ~~Beginning January 1, 2025, through December 31,~~  
7 ~~2029, the final average combined tax rate shall be reduced by five~~  
8 ~~percent.~~

9 (5) Except in tax year 2025, the The average combined tax rate is  
10 assigned to rate category twelve as established in subsection (3) of this  
11 section. In tax year 2025 only, the category twelve rate shall be 0.48.  
12 Rates for each of the remaining nineteen categories are determined by  
13 multiplying the average combined tax rate by the experience factor  
14 associated with each category and carried to four decimal places.  
15 Employers who are delinquent in filing their combined tax reports as of  
16 October 31 of any year shall be assigned to category twenty for the  
17 following calendar year unless the delinquency is corrected prior to  
18 December 31 of the year of rate calculation.

19 (6) In addition to required contributions, an employer may make  
20 voluntary contributions to the fund to be credited to his or her account.  
21 Voluntary contributions by employers may be made up to the amount  
22 necessary to qualify for one rate category reduction. Voluntary  
23 contributions received after February 28 shall not be used in rate  
24 calculations for the same calendar year.

25 (7) As used in sections 48-648 to 48-654, the term payroll means the  
26 total amount of wages during a calendar year, except as otherwise  
27 provided in section 48-654, by which the combined tax was measured.

28 **Sec. 2.** Original section 48-649.03, Revised Statutes Cumulative  
29 Supplement, 2024, is repealed.

30 **Sec. 3.** Since an emergency exists, this act takes effect when  
31 passed and approved according to law.