

LEGISLATURE OF NEBRASKA  
ONE HUNDRED NINTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 649**

Introduced by Revenue Committee: von Gillern, 4, Chairperson; Ibach, 44;  
Kauth, 31; Murman, 38; Sorrentino, 39.

Read first time January 22, 2025

Committee: Revenue

- 1 A BILL FOR AN ACT relating to income taxes; to amend section 77-2715.03,
- 2 Revised Statutes Cumulative Supplement, 2024; to change provisions
- 3 relating to a certain tax rate; and to repeal the original section.
- 4 Be it enacted by the people of the State of Nebraska,

1           **Section 1.** Section 77-2715.03, Revised Statutes Cumulative  
2 Supplement, 2024, 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)(a) For taxable years beginning or deemed to begin on or after  
18 January 1, 2014, the following brackets and rates are hereby established  
19 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- | Rate  |
| 28         | 28,999      | 57,999    | 42,999    | 28,999    | 15,149   | Three |
| 29       4 | \$29,000    | \$58,000  | \$43,000  | \$29,000  | \$15,150 | Rate  |
| 30         | and Over    | and Over  | and Over  | and Over  | and Over | Four  |

1 (b) For purposes of this subsection, rate three shall be:

2 (i) 5.01% for taxable years beginning or deemed to begin on or after  
3 January 1, 2014, and before January 1, 2026;

4 (ii) 4.55% for taxable years beginning or deemed to begin on or  
5 after January 1, 2026, and before January 1, 2027; and

6 (iii) 3.99% for taxable years beginning or deemed to begin on or  
7 after January 1, 2027.

8 (c) For purposes of this subsection, rate four shall be:

9 (i) 6.84% for taxable years beginning or deemed to begin on or after  
10 January 1, 2014, and before January 1, 2023;

11 (ii) 6.64% for taxable years beginning or deemed to begin on or  
12 after January 1, 2023, and before January 1, 2024;

13 (iii) 5.84% for taxable years beginning or deemed to begin on or  
14 after January 1, 2024, and before January 1, 2025;

15 (iv) 5.20% for taxable years beginning or deemed to begin on or  
16 after January 1, 2025, and before January 1, 2026;

17 (v) 4.55% for taxable years beginning or deemed to begin on or after  
18 January 1, 2026, and before January 1, 2027; and

19 (vi) 3.99% for taxable years beginning or deemed to begin on or  
20 after January 1, 2027.

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

31 (b)(i) For taxable years beginning or deemed to begin on or after

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

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

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

25 (5) The Tax Commissioner shall prepare, from the rate schedules, tax  
26 tables which can be used by a majority of the taxpayers to determine  
27 their Nebraska tax liability. The design of the tax tables shall be  
28 determined by the Tax Commissioner. The size of the tax table brackets  
29 may change as the level of income changes. The difference in tax between  
30 two tax table brackets shall not exceed fifteen dollars. The Tax  
31 Commissioner may build the personal exemption credit and standard

1 deduction amounts into the tax tables.

2 (6) For taxable years beginning or deemed to begin on or after  
3 January 1, 2013, the tax rate applied to other federal taxes included in  
4 the computation of the Nebraska individual income tax shall be twenty-  
5 nine and six-tenths ~~29.6~~ percent.

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

9 **Sec. 2.** Original section 77-2715.03, Revised Statutes Cumulative  
10 Supplement, 2024, is repealed.