

AMENDMENTS TO LB919

(Amendments to Standing Committee amendments, AM2513)

Introduced by Hansen, M., 26.

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

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

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

7 Individual Income Tax Brackets and Rates

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

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

21 Individual Income Tax Brackets and Rates

22 Bracket	Single	Married,	Head of	Married,	Estates	Tax
23 Number	Individuals	Filing	Household	Filing	and	Rate
24		Jointly		Separate	Trusts	
25 1	\$0-2,999	\$0-5,999	\$0-5,599	\$0-2,999	\$0-499	2.46%

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

11 For purposes of this subsection:

12 (a) Rate 1 shall be:

13 (i) 5.01% for taxable years beginning or deemed to begin on or after
14 January 1, 2014, and before January 1, 2023; and

15 (ii) 4.01% for taxable years beginning or deemed to begin on or
16 after January 1, 2023; and

17 (b) Rate 2 shall be 6.84% for taxable years beginning or deemed to
18 begin on or after January 1, 2014, and before January 1, 2023. For
19 taxable years beginning or deemed to begin on or after January 1, 2023,
20 rate 2 shall be determined on an annual basis as follows:

21 (i) On or before July 15, 2022, and on or before July 15 of each
22 year thereafter, the Tax Commissioner shall determine actual General Fund
23 net receipts for the most recently completed fiscal year minus actual
24 General Fund net receipts for the prior fiscal year;

25 (ii) If the amount determined under subdivision (2)(b)(i) of this
26 section is a positive number, the Tax Commissioner shall reduce the rate
27 in effect on the date of such determination in accordance with the
28 schedule provided in subdivision (2)(b)(iii) of this section. Such
29 reduced rate shall apply to taxable years beginning or deemed to begin on
30 or after the immediately following January 1. If the amount determined

1 under subdivision (2)(b)(i) of this section is a negative number, no
2 reduction to rate 2 shall occur, and the rate in effect on the date of
3 such determination shall remain in effect. In no case shall rate 2 be
4 reduced to less than 5.84%; and

5 (iii) The reductions to rate 2 described in subdivision (2)(b)(ii)
6 of this section shall occur according to the following schedule:

7 (A) For the first time that the reduction occurs, rate 2 shall be
8 reduced from 6.84% to 6.64%;

9 (B) For the second time that the reduction occurs, rate 2 shall be
10 reduced from 6.64% to 6.44%;

11 (C) For the third time that the reduction occurs, rate 2 shall be
12 reduced from 6.44% to 6.24%; and

13 (D) For the fourth time that the reduction occurs, rate 2 shall be
14 reduced from 6.24% to 5.99%.

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

25 (b)(i) For taxable years beginning or deemed to begin on or after
26 January 1, 2015, and before January 1, 2018, the Tax Commissioner shall
27 adjust the income tax brackets by the percentage determined pursuant to
28 the provisions of section 1(f) of the Internal Revenue Code of 1986, as
29 it existed prior to December 22, 2017, except that in section 1(f)(3)(B)
30 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 subsection (2) of this section.

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

15 (4) Whenever the tax brackets or tax rates are changed by the
16 Legislature, the Tax Commissioner shall update the tax rate schedules to
17 reflect the new tax brackets or tax rates and shall publish such updated
18 schedules.

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

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

31 (7) The Tax Commissioner may require by rule and regulation that all

1 taxpayers shall use the tax tables if their income is less than the
2 maximum income included in the tax tables.

3 Sec. 7. Since an emergency exists, this act takes effect when
4 passed and approved according to law.

5 2. Renumber the remaining sections, correct internal references, and
6 correct the repealer accordingly.