

AMENDMENTS TO LB873

(Amendments to Standing Committee amendments, AM2649)

Introduced by DeBoer, 10.

1 1. Strike section 1 and insert the following new section:

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	<u>\$18,000-</u>	<u>\$36,000-</u>	<u>\$28,800-</u>	<u>\$18,000-</u>	<u>\$4,700-</u>	
4		<u>28,999</u>	<u>57,999</u>	<u>42,999</u>	<u>28,999</u>	<u>15,149</u>	<u>Rate 3</u>
5	4	<u>\$29,000</u>	<u>\$58,000</u>	<u>\$43,000</u>	<u>\$29,000</u>	<u>\$15,150</u>	
6		<u>and Over</u>	<u>and Over</u>	<u>and Over</u>	<u>and Over</u>	<u>and Over</u>	<u>Rate 4</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 3 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;

15 (ii) 4.81% for taxable years beginning or deemed to begin on or
16 after January 1, 2023, and before January 1, 2024;

17 (iii) 4.61% for taxable years beginning or deemed to begin on or
18 after January 1, 2024, and before January 1, 2025;

19 (iv) 4.41% for taxable years beginning or deemed to begin on or
20 after January 1, 2025, and before January 1, 2026;

21 (v) 4.17% for taxable years beginning or deemed to begin on or after
22 January 1, 2026, and before January 1, 2027; and

23 (vi) 4.01% for taxable years beginning or deemed to begin on or
24 after January 1, 2027.

25 (b) Rate 4 shall be:

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

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

30 (iii) 6.44% for taxable years beginning or deemed to begin on or

1 after January 1, 2024, and before January 1, 2025;

2 (iv) 6.24% for taxable years beginning or deemed to begin on or
3 after January 1, 2025, and before January 1, 2026;

4 (v) 6.00% for taxable years beginning or deemed to begin on or after
5 January 1, 2026, and before January 1, 2027; and

6 (vi) 5.84% for taxable years beginning or deemed to begin on or
7 after January 1, 2027.

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

18 (b)(i) For taxable years beginning or deemed to begin on or after
19 January 1, 2015, and before January 1, 2018, the Tax Commissioner shall
20 adjust the income tax brackets by the percentage determined pursuant to
21 the provisions of section 1(f) of the Internal Revenue Code of 1986, as
22 it existed prior to December 22, 2017, except that in section 1(f)(3)(B)
23 of the code the year 2013 shall be substituted for the year 1992. For
24 2015, the Tax Commissioner shall then determine the percent change from
25 the twelve months ending on August 31, 2013, to the twelve months ending
26 on August 31, 2014, and in each subsequent year, from the twelve months
27 ending on August 31, 2013, to the twelve months ending on August 31 of
28 the year preceding the taxable year. The Tax Commissioner shall prescribe
29 new tax rate schedules that apply in lieu of the schedules set forth in
30 subsection (2) of this section.

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

1 January 1, 2018, the Tax Commissioner shall adjust the income tax
2 brackets based on the percentage change in the Consumer Price Index for
3 All Urban Consumers published by the federal Bureau of Labor Statistics
4 from the twelve months ending on August 31, 2016, to the twelve months
5 ending on August 31 of the year preceding the taxable year. The Tax
6 Commissioner shall prescribe new tax rate schedules that apply in lieu of
7 the schedules set forth in subsection (2) of this section.

8 (4) Whenever the tax brackets or tax rates are changed by the
9 Legislature, the Tax Commissioner shall update the tax rate schedules to
10 reflect the new tax brackets or tax rates and shall publish such updated
11 schedules.

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

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

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