

LEGISLATURE OF NEBRASKA  
ONE HUNDRED THIRD LEGISLATURE  
FIRST SESSION  
**LEGISLATIVE BILL 328**

Introduced by Pirsch, 4; Harr, 8.

Read first time January 17, 2013

Committee:

A BILL

1 FOR AN ACT relating to revenue and taxation; to amend section  
2 77-2734.02, Revised Statutes Cumulative Supplement, 2012;  
3 to change corporate income tax rates; and to repeal the  
4 original section.  
5 Be it enacted by the people of the State of Nebraska,

1                   Section 1. Section 77-2734.02, Revised Statutes  
2 Cumulative Supplement, 2012, is amended to read:

3                   77-2734.02 (1) Except as provided in subsection (2) of  
4 this section, a tax is hereby imposed on the taxable income of every  
5 corporate taxpayer that is doing business in this state:

6                   (a) For taxable years beginning or deemed to begin before  
7 January 1, 2013, at a rate equal to one hundred fifty and eight-  
8 tenths percent of the primary rate imposed on individuals under  
9 section 77-2701.01 on the first one hundred thousand dollars of  
10 taxable income and at the rate of two hundred eleven percent of such  
11 rate on all taxable income in excess of one hundred thousand dollars.  
12 The resultant rates shall be rounded to the nearest one hundredth of  
13 one percent; ~~and~~

14                   (b) For taxable years beginning or deemed to begin on or  
15 after January 1, 2013, and before January 1, 2014, at a rate equal to  
16 5.58 percent on the first one hundred thousand dollars of taxable  
17 income and at the rate of 7.81 percent on all taxable income in  
18 excess of one hundred thousand dollars; and -

19                   (c) For taxable years beginning or deemed to begin on or  
20 after January 1, 2014, using the same rates and income brackets as  
21 are used for single individuals under subsection (2) of section  
22 77-2715.03.

23                   For corporate taxpayers with a fiscal year that does not  
24 coincide with the calendar year, the individual rate used for this  
25 subsection shall be the rate in effect on the first day, or the day

1 deemed to be the first day, of the taxable year.

2 (2) An insurance company shall be subject to taxation at  
3 the lesser of the rate described in subsection (1) of this section or  
4 the rate of tax imposed by the state or country in which the  
5 insurance company is domiciled if the insurance company can establish  
6 to the satisfaction of the Tax Commissioner that it is domiciled in a  
7 state or country other than Nebraska that imposes on Nebraska  
8 domiciled insurance companies a retaliatory tax against the tax  
9 described in subsection (1) of this section.

10 (3) For a corporate taxpayer that is subject to tax in  
11 another state, its taxable income shall be the portion of the  
12 taxpayer's federal taxable income, as adjusted, that is determined to  
13 be connected with the taxpayer's operations in this state pursuant to  
14 sections 77-2734.05 to 77-2734.15.

15 (4) Each corporate taxpayer shall file only one income  
16 tax return for each taxable year.

17 Sec. 2. Original section 77-2734.02, Revised Statutes  
18 Cumulative Supplement, 2012, is repealed.