

LEGISLATURE OF NEBRASKA
ONE HUNDRED SEVENTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 938

Introduced by Linehan, 39.

Read first time January 10, 2022

Committee:

- 1 A BILL FOR AN ACT relating to income taxes; to amend section 77-2734.02,
- 2 Revised Statutes Supplement, 2021; to change corporate income tax
- 3 rates as prescribed; to eliminate provisions relating to legislative
- 4 intent; and to repeal the original section.
- 5 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-2734.02, Revised Statutes Supplement, 2021, is
2 amended to read:

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

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

13 (b) For taxable years beginning or deemed to begin on or after
14 January 1, 2013, and before January 1, 2022, at a rate equal to 5.58
15 percent on the first one hundred thousand dollars of taxable income and
16 at the rate of 7.81 percent on all taxable income in excess of one
17 hundred thousand dollars;

18 (c) For taxable years beginning or deemed to begin on or after
19 January 1, 2022, and before January 1, 2023, at a rate equal to 5.58
20 percent on the first one hundred thousand dollars of taxable income and
21 at the rate of 7.50 percent on all taxable income in excess of one
22 hundred thousand dollars; ~~and~~

23 (d) For taxable years beginning or deemed to begin on or after
24 January 1, 2023, and before January 1, 2024, at a rate equal to 5.58
25 percent on the first one hundred thousand dollars of taxable income and
26 at the rate of 7.00 ~~7.25~~ percent on all taxable income in excess of one
27 hundred thousand dollars; ~~-~~

28 (e) For taxable years beginning or deemed to begin on or after
29 January 1, 2024, and before January 1, 2025, at a rate equal to 5.58
30 percent on the first one hundred thousand dollars of taxable income and
31 at the rate of 6.50 percent on all taxable income in excess of one

1 hundred thousand dollars;

2 (f) For taxable years beginning or deemed to begin on or after
3 January 1, 2025, and before January 1, 2026, at a rate equal to 5.58
4 percent on the first one hundred thousand dollars of taxable income and
5 at the rate of 6.14 percent on all taxable income in excess of one
6 hundred thousand dollars; and

7 (g) For taxable years beginning or deemed to begin on or after
8 January 1, 2026, at a rate equal to 5.58 percent on the first one hundred
9 thousand dollars of taxable income and at the rate of 5.84 percent on all
10 taxable income in excess of one hundred thousand dollars.

11 ~~It is the intent of the Legislature to enact legislation after~~
12 ~~August 28, 2021, to lower the tax rate applicable to income in excess of~~
13 ~~one hundred thousand dollars to 7.00 percent for taxable years beginning~~
14 ~~or deemed to begin on or after January 1, 2024, and before January 1,~~
15 ~~2025, and to 6.84 percent for taxable years beginning or deemed to begin~~
16 ~~on or after January 1, 2025.~~

17 For corporate taxpayers with a fiscal year that does not coincide
18 with the calendar year, the individual rate used for this subsection
19 shall be the rate in effect on the first day, or the day deemed to be the
20 first day, of the taxable year.

21 (2) An insurance company shall be subject to taxation at the lesser
22 of the rate described in subsection (1) of this section or the rate of
23 tax imposed by the state or country in which the insurance company is
24 domiciled if the insurance company can establish to the satisfaction of
25 the Tax Commissioner that it is domiciled in a state or country other
26 than Nebraska that imposes on Nebraska domiciled insurance companies a
27 retaliatory tax against the tax described in subsection (1) of this
28 section.

29 (3) For a corporate taxpayer that is subject to tax in another
30 state, its taxable income shall be the portion of the taxpayer's federal
31 taxable income, as adjusted, that is determined to be connected with the

1 taxpayer's operations in this state pursuant to sections 77-2734.05 to
2 77-2734.15.

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

5 Sec. 2. Original section 77-2734.02, Revised Statutes Supplement,
6 2021, is repealed.