

Income/Franchise:

Nebraska: New Law Lowers Corporate Income Tax Rates for Some Taxpayers

L.B. 432, signed by gov. 5/26/21. Recently enacted legislation lowers Nebraska's corporate income tax rates for some taxpayers – namely those with taxable incomes in excess of \$100,000 – for taxable years beginning or deemed to begin on or after January 1, 2022. Specifically, for taxable years beginning or deemed to begin on or after January 1, 2022, and before January 1, 2023, the first \$100,000 of taxable income will remain taxed at the rate of 5.58%; however, all taxable income in excess of \$100,000 will be taxed at the rate of 7.5% rather than the current tax rate of 7.81%. For taxable years beginning or deemed to begin on or after January 1, 2023, the first \$100,000 of taxable income will remain taxed at the rate of 5.58%; however, all taxable income in excess of \$100,000 will be taxed at the rate of 7.25%. The legislation additionally provides that it is the intent of the Nebraska Legislature eventually to enact legislation that lowers the corporate tax rate on taxable income in excess of \$100,000 to 7% for taxable years beginning or deemed to begin on or after January 1, 2024, and before January 1, 2025, and to 6.84% for taxable years beginning or deemed to begin on or after January 1, 2025. Please contact us with any questions.

URL: https://nebraskalegislature.gov/bills/view_bill.php?DocumentID=43825

— Tim Pyburn (Chicago)
Senior Manager
Deloitte Tax LLP
tpyburn@deloitte.com

Natalie Rogozinsky (Chicago)
Manager
Deloitte Tax LLP
nrogozinsky@deloitte.com

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