

Income/Franchise:

Nebraska: New Law Phases in Corporate Income Tax Rate Reductions Over 5 Years

L.B. 873, signed by gov. 4/13/22. Recently enacted legislation contains several tax-related measures, including phasing in some Nebraska corporate income tax rate reductions over the next five years from the current 7.5% top tax rate to an ultimate 5.84% top tax rate for taxable years beginning on or after January 1, 2027.

Specifically, on state corporate taxable income in excess of \$100,000, the following tax rates generally now apply:

URL: https://nebraskalegislature.gov/bills/view_bill.php?DocumentID=47318

- 7.5% for tax year 2022 (*i.e.*, for taxable years beginning on or after January 1, 2022, and before January 1, 2023),
- 7.25% for tax year 2023 (*i.e.*, for taxable years beginning on or after January 1, 2023, and before January 1, 2024),
- 6.50% for tax year 2024 (*i.e.*, for taxable years beginning on or after January 1, 2024, and before January 1, 2025),
- 6.24% for tax year 2025 (*i.e.*, for taxable years beginning on or after January 1, 2025, and before January 1, 2026),
- 6.00% for tax year 2026 (*i.e.*, for taxable years beginning on or after January 1, 2026, and before January 1, 2027), and
- 5.84% for tax year 2027 and thereafter (*i.e.*, for taxable years beginning on or after January 1, 2027).

The legislation also includes a similar phased-in timeline for lowering Nebraska's top individual income tax rates. Please contact us with any questions.

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