



This Week in State Tax (TWIST)

June 5, 2023



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Nebraska: Corporate Income Tax Rate Reduction Enacted

On May 31, 2023, LB 754 was signed into law. This bill provides for individual income tax relief and adopts a new elective pass-through entity tax; it also reduces individual and corporate income tax rates. Currently, for taxable years beginning on or after January 1, 2023, and before January 1, 2024, the rate applied to a corporation's taxable income in excess of \$100,000 is 7.25 percent, and on the first \$100,000 of income, it is 5.58 percent. For taxable years beginning on or after January 1, 2024, and before January 1, 2025, the rate applied to income over \$100,000 is 5.84 percent. For taxable years beginning on or after January 1, 2025 and before January 1, 2026, a flat 5.20 percent rate applies to all income. That flat rate is reduced to 4.55 percent for 2026 and then down to 3.99 percent for tax years beginning on or after January 1, 2027. Please stay tuned to TWIST for future rate changes.



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