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DEPARTMENT OF REVENUE



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## Department of Revenue, Sen. Jim Smith Propose Tax Law Adjustments Following Federal Tax Reform

### *Adjustments key to preventing an effective tax increase*

January 18, 2018 (LINCOLN, NE) – Today, the Nebraska Department of Revenue and Senator Jim Smith of Papillion proposed LB1090, a bill which makes adjustments to Nebraska’s tax code in light of recently passed federal tax reform. The Tax Cuts and Jobs Act was signed into law on December 22, 2017. Passage of LB1090 assures that Nebraskans do not face a \$200-million state tax increase as a result of the Tax Cuts and Jobs Act.

“The Nebraska Department of Revenue and the Legislature’s Revenue Committee have been carefully studying the Tax Cuts and Jobs Act,” said Tax Commissioner Tony Fulton. “To retain existing tax policy and prevent a state tax increase, the Legislature must take action to make adjustments to Nebraska’s tax laws.”

LB1090 makes adjustments to state tax laws to neutralize effects brought about by federal tax reform. The Legislature must adopt these changes to prevent effective state tax increases. LB1090 would:

- Retain the personal exemption credit against Nebraska income taxes.
- Increase the Nebraska standard deduction.
- Continue indexing the standard deduction, personal exemption, and tax brackets based on the Consumer Price Index.

“Thank you to the Department of Revenue and my committee staff for their work analyzing federal tax reform and developing this measure,” said Senator Smith. “I look forward to working with my colleagues to ensure that Nebraska families keep the same tax benefits they enjoyed under our laws prior to federal tax reform’s passage.”

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