

# Current Nebraska Tax Rates

The following are descriptions and rates of selected taxes not included on the Nebraska Tax Rate Chronologies. The tax rates are those in effect on January 1, 2009.

## Documentary Stamp Tax

The documentary stamp tax is imposed on the grantor of a deed transferring beneficial interest in, or legal title to, real estate. Effective July 1, 2005, the rate of tax increased from \$1.75 to \$2.25 for each \$1,000 of value, or fraction thereof, of the real estate transferred. All deeds are presumed taxable, unless it clearly appears on the face of the deed, or sufficient documented proof is presented to the register of deeds, that the transfer is exempt under [Neb. Rev. Stat. § 76-902](#).

The register of deeds shall retain 50 cents to be placed in the county general fund and shall remit the balance to the Nebraska Department of Revenue (Department).

- 25 cents of the remaining \$1.75 is credited to the Homeless Shelter Assistance Trust Fund;
- \$1.20 is credited to the Affordable Housing Trust Fund; and
- 30 cents is credited to the Behavioral Health Services Fund.

## Estate and Generation-Skipping Transfer Taxes

(Legislature repealed effective January 1, 2007)

## Fiduciary Income Tax

Nebraska income tax is imposed on the adjusted federal taxable income of a resident estate or trust for each taxable year. Nebraska income tax is also imposed on nonresident estates and trusts on the portion of income derived from sources within Nebraska for each taxable year.

The tax is calculated as a percentage of Nebraska taxable income. The rates are 2.56, 3.57, 5.12, and 6.84 percent. The brackets are established in [Neb. Rev. Stat. § 77-2715.02](#). All proceeds are credited to the General Fund.

## Litter Fee

The litter fee applies to manufacturers, wholesalers, and retailers with annual gross proceeds of at least \$100,000 from the sale of certain products in Nebraska. Retailers are required to pay the fee on sales of:

- Food, beverages, soft drinks, carbonated water, liquor, wine, beer, and other malt beverages, except those which are sold by retailers solely for consumption indoors on the retailer's premises;
- Pet foods;
- Cigarettes and other tobacco products;
- Certain household paper and household paper products;
- Cleaning agents; and
- Kitchen supplies.

Manufacturers and wholesalers are also required to pay the litter fee on sales of all of the items listed above, as well as glass and metal containers, toiletries, and plastic or fiber containers made of synthetic materials. The rate is \$175 per \$1 million (.000175) of gross sales of products subject to the fee. Funds collected from the fee are deposited in the Nebraska Litter Reduction and Recycling Fund.

### **Mechanical Amusement Device Tax**

An occupation tax is imposed on operators and distributors of mechanical amusement devices, such as coin-operated video games. The tax is \$35 per device placed in operation prior to July 1 of each year, and \$20 per device placed in operation after July 1 of each year. All proceeds are credited to the General Fund.

### **Parimutuel Wagering Tax**

The parimutuel wagering tax is imposed on amounts wagered for race meets, other than those conducted on Nebraska State Fairground property. Wagers placed at live meets, simulcast events, by tele-wagering, and by telephonic wagering are subject to tax. The tax applies to every corporation or association licensed to conduct horse racing within Nebraska.

The tax rate is a two-tier system. The first \$10 million of wagers are exempt. For total wager amounts over \$10 million and less than or equal to \$73 million, the tax rate is 2.5 percent. For amounts over \$73 million, the tax rate is 4 percent. An additional tax of one-half of one percent (0.05) is imposed on wagers placed by telephone. The one-half of one percent tax on wagers placed by telephone is deposited in the Racing Commission's Cash Fund. All other revenue is deposited in the General Fund.

A tax credit is allowed for capital improvements and maintenance of the premises within the race track enclosure. The credit claimed is equal to 2 percent of the first \$70 million of taxable wagers, but cannot exceed \$1.4 million.

### **Petroleum Release Remedial Action Fee**

This fee is imposed on the producer, importer, refiner, distributor, wholesaler, or supplier who engages in the sale, distribution, delivery, and use of petroleum (motor vehicle fuels, diesel fuels, and aviation fuels) in Nebraska. The fee is: nine-tenths of one cent (.009) per gallon on aviation gasoline and motor vehicle fuel, such as gasoline; and three-tenths of one cent (.003) per gallon on jet fuel and diesel fuels, including dyed diesel. An amount not exceeding \$28,000 (effective July 1, 2009, the amount increases to \$150,000) each fiscal year is deposited in the Petroleum Release Remedial Action Collection Fund. The remainder is deposited in the Petroleum Release Remedial Action Cash Fund.

### **Ethanol Denaturant Tax**

A tax of two and one-half (2.5) cents per gallon is imposed on natural gasoline purchased for use as a denaturant by ethanol producers. Through December 31, 2009, one half of the tax is credited to the Ethanol Production Incentive Cash Fund, with the remaining half being deposited into the Agricultural Alcohol Fuel Tax Fund (AAFTF). Effective January 1, 2010, the tax will decrease to one and one-quarter (1.25) cents per gallon and be deposited into AAFTF.

### **Severance and Conservation Taxes**

A tax is imposed on the value of oil and natural gas severed from the land. The severance tax is levied at the rate of three percent of the value of non-stripper oil and natural gas severed from the soil of this state. Stripper wells producing oil shall remit severance tax at the rate of two percent. The tax is paid by the

first purchaser, if the oil or natural gas is sold in Nebraska. Tax collected from school lands is specifically identified. The conservation tax rate is one-tenths of one cent (.001) (.007 effective July 1, 2009) on the value at the well of oil and gas produced, saved, and sold or transported from the premises in Nebraska. Funds collected from the severance tax are credited to the Severance Tax Fund. Revenue from the conservation tax is deposited in the Oil and Gas Conservation Fund.

### **Tire Fee**

A fee of \$1 per tire is due on each retail sale of a qualified tire in Nebraska, including tires for farm tractors. The fee is also due on every tire included with a new qualified vehicle, and every new tire a motor vehicle dealer places on a previously-owned vehicle. Tires sold specifically for vehicles designed for off-road use and tires which have been recapped or re-grooved are not subject to the tire fee. Tire fees are credited to the Waste Reduction and Recycling Incentive Fund.

### **Tobacco Products Tax**

This tax is imposed on the first owner of tobacco products imported, manufactured, or sold in Nebraska. Tobacco products include those forms of tobacco other than cigarettes. The tax rate is 20 percent of the net invoice price of the tobacco products. Funds collected from this tax are deposited into the Tobacco Products Administration Tax Fund.

### **Waste Reduction and Recycling Fee**

An annual waste reduction and recycling fee is imposed on each business location with retail sales of tangible personal property, which are subject to sales tax. The fee is \$25 on each business location with annual taxable retail sales of tangible personal property of \$50,000 or more. These fees are credited to the Waste Reduction and Recycling Incentive Fund.