

October 6, 2008

**FEDERAL ECONOMIC STIMULUS ACT OF 2008
BONUS DEPRECIATION AND ENHANCED SECTION 179 EXPENSE DEDUCTIONS
FOR NEBRASKA INCOME TAX PURPOSES**

Issue:

Is a taxpayer that claimed bonus depreciation or enhanced Section 179 expense under the federal Economic Stimulus Act of 2008 required to modify its Nebraska income to add back a portion of such bonus depreciation or enhanced Section 179 expense?

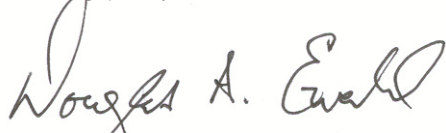
Conclusion:

No, a taxpayer is not required to add back any portion of the bonus depreciation or enhanced Section 179 expense claimed under the federal Economic Stimulus Act of 2008 for Nebraska tax purposes.

Analysis:

Tax is imposed on an individual's federal adjusted gross income (AGI) and on a corporation's or fiduciary's federal taxable income (FTI), which may be modified for Nebraska income tax purposes. Neb. Rev. Stat. §77-2716 requires modifications to AGI and FTI but does not require any adjustments to AGI or FTI for bonus depreciation or enhanced Section 179 expense claimed under the federal Economic Stimulus Act of 2008. The Nebraska Legislature chose not to decouple from federal law relating to adjustments to AGI or FTI for bonus depreciation or enhanced Section 179 expense claimed under the federal Economic Stimulus Act of 2008.

APPROVED:



Douglas A. Ewald
Tax Commissioner

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