



**Notes:**

1. With this simplification, the existing 4 tax brackets, 96 (4x4x6) formulas, 16 tax rate ranges, and 20-page Withholding Tables are matched and simplified by 2 brackets and 2 formulas with 98% reduction (1-(2÷96)). Bottom tax rate (BR) is the same at 2.46%. Changeable top and mid tax rates affect C and D constants. Their detail changes are according to LB 387 at [www.nebraskalegislature.gov/FloorDocs/108/PDF/Intro/LB387.pdf](http://www.nebraskalegislature.gov/FloorDocs/108/PDF/Intro/LB387.pdf) with one linear formula of (YTI÷S÷C + BR)×TI and one existing formula of (TR - (D×S÷YTI))×TI with taxable incomes not over and over \$60,000×S. 1,151.4+6.64% (YTI-29,000) = (6.64% - (774.2×S÷YTI))×YTI in 2023.

2022 Tax rate ranges	2023	2024	2025	2026	2027 & after
BR-5.45%-6.84%	BR-5.35%-6.64%	BR-5.25%-6.44%	BR-5.14%-6.24%	BR-5.02%-6%	BR-4.94%-5.84%
C: 2,006,689	2,076,125	2,150,538	2,238,806	2,343,750	2,419,355
D: 834	774	714	660	588	540

[www.nebraskalegislature.gov/FloorDocs/108/PDF/Intro/LB754.pdf](http://www.nebraskalegislature.gov/FloorDocs/108/PDF/Intro/LB754.pdf): Top tax rates are changed during 2023-2027:

2023 Tax rate ranges	2024	2025	2026	2027 & after
BR-5.2%*-6.27%	BR-4.6%*-5.7%	BR-4.1%*-5.13%	BR-3.6%*-4.56%	BR-3.2%*-3.99%
C: 2,189,781	2,803,738	3,658,537	5,263,158	8,108,108
D: 642	660	618	576	474

\* Tax rates are adjusted by 80% because 4.56% and 3.99% are less than 5.01%.

2. The bottom tax rate 2.46% may be reduced to 2.4% to have neutral tax revenue simply and fairly\* according to its Fiscal Note. Incomes over \$60,000 have no tax rate and tax difference.

[https://revenue.nebraska.gov/files/doc/tax-forms/2021/f\\_ptc.pdf](https://revenue.nebraska.gov/files/doc/tax-forms/2021/f_ptc.pdf)

[https://revenue.nebraska.gov/files/doc/tax-forms/2019/f\\_1040nes\\_2020](https://revenue.nebraska.gov/files/doc/tax-forms/2019/f_1040nes_2020).

[www.revenue.nebraska.gov/sites/revenue.nebraska.gov/files/doc/business/2017cir-en\\_whole.pdf](http://www.revenue.nebraska.gov/sites/revenue.nebraska.gov/files/doc/business/2017cir-en_whole.pdf)

3. The 96 (4x4x6) formulas, 16 tax rate ranges, and 20-page Withholding Tables can be eliminated. Withholding tables (20 pages) and related formulas are matched and replaced by the above two formulas for not over and over \$60,000×S and the following formula to calculate withholding taxes with Standard deductions, exemptions and tax credits and income taxes for tax returns with actual deductions, exemptions and tax credits.

$$\text{Withholding/Income Tax} = (\text{Incomes} \pm \text{Adjustments} - (\text{Deductions} + \text{Exemptions}) \div F) \times \text{Tax rate} - \text{Tax credits} \div F$$

4. Existing tax table (3 pages) or its formula is for people to have one option.

[https://revenue.nebraska.gov/files/doc/tax-forms/2019/f\\_1040n\\_booklet.pdf](https://revenue.nebraska.gov/files/doc/tax-forms/2019/f_1040n_booklet.pdf)

5. For existing tax reforms, tax brackets, tax rates, taxable income ranges, tax computations, and tax goal are considered at the same time, which are affected each other and complex. With this tax simplification, only 3 tax rates at bottom, middle and top are adjusted to meet a tax goal. The factors are explained by our 2021 research paper (Page 508). \* [www.scitcentral.com/documents/be5648da4795008d9893b752b9226c8f.pdf](http://www.scitcentral.com/documents/be5648da4795008d9893b752b9226c8f.pdf)

**Bill Summary**

Bill xxx - This bill matches and simplifies existing 4 tax brackets, 16 tax rate ranges, 96 (4x4x6) formulas, and 20-page Withholding Tables by 2 brackets, one simple linear formula and one existing formulas. Tax statuses are numbered with 1, 2, 1.5 or 0.42. Payrolls, withholding reports, tax returns, tax analyses, tax reforms and tax projections can be simplified. A checking tool is provided to reduce calculation mistakes. For a tax reform, only 3 tax rates at bottom, top and \$60,000 are adjusted to meet a related tax projection.

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