

History of Nebraska Income Tax and Sales Tax Rates Through 1992

Effective Date	Individual Income Tax Rate (Percentage of Federal Income Tax)	Corporation Income Tax Rate ¹	Withholding Rate (Percentage of Federal Tax Withheld)	Nebraska Sales Tax Rate	Food Sales Tax Credit (Per Eligible Individual)
June 1, 1967	none	none	none	2.5%	-0-
January 1, 1968 ²	10%	2%	10%	2.5%	7.00
January 1, 1969 ²	10%	2%	10%	2%	7.00
January 1, 1970	13%	2.6%	12%	2.5%	7.00
January 1, 1971	10%	2%	10%	2.5%	7.00
January 1, 1972	15%	3%	10%	2.5%	10.00
January 15, 1972	15%	3%	15%	2.5%	10.00
January 1, 1973 ³	13%	3.25%	15%	2.5%	10.00
July 1, 1973 ³	13%	3.25%	13%	2.5%	10.00
January 1, 1974	11%	2.75%	11%	2.5%	13.00
January 1, 1975 ³	12%	3% and 3.3%	10%	2.5%	16.00
May 5, 1975 ³	12%	3% and 3.3%	11%	2.5%	16.00
July 1, 1975 ³	12%	3% and 3.3%	13%	2.5%	16.00
January 1, 1976 ³	17%	4.25% and 4.675%	15%	2.5%	16.00
September 1, 1976 ³	17%	4.25% and 4.675%	17%	3%	16.00
January 1, 1977 ³	18%	4.5% and 4.95%	17%	3%	20.00
July 1, 1977 ³	18%	4.5% and 4.95%	18%	3.5%	20.00
January 1, 1978	16%	4% and 4.4%	16%	3%	20.00
January 1, 1979	18%	4.5% and 4.95%	18%	3%	20.00
December 1, 1979	18%	4.5% and 4.95%	none	3%	20.00
January 1, 1980 ³	15%	3.75% and 4.125%	17%	3%	28.00
January 1, 1981	15%	3.75% and 4.125%	15%	3%	28.00
January 1, 1982 ³	18%	4.5% and 6.3%	15%	3%	28.00
May 1, 1982	18%	4.5% and 6.3%	15%	3.5%	28.00
July 1, 1982	18%	4.5% and 6.3%	19%	3.5%	28.00
January 1, 1983 ³	20%	5% and 7%	19%	3.5%	21.00
July 1, 1983 ⁴	20%	5% and 7%	20%	4%	21.00
January 1, 1984 ³	19%	4.75% and 6.65%	20%	4%	-0-
April 1, 1984	19%	4.75% and 6.65%	20%	3.5%	-0-
July 1, 1984	19%	4.75% and 6.65%	18%	3.5%	-0-
January 1, 1985 ³	20%	5% and 7%	19%	3.5%	-0-
January 1, 1986	19%	4.75% and 6.65%	19%	3.5%	-0-
January 1, 1987	*	4.75% and 6.65%	19%	4%	-0-
March 1, 1987	*	4.75% and 6.65%	21%	4%	-0-
January 1, 1988	*	4.75% and 6.65%	*	4%	-0-
January 1, 1989	*	4.75% and 6.65%	*	4%	-0-
January 1, 1990	*	5.17% and 7.24%	*	4%	-0-
July 10, 1990 ⁵	*	5.17% and 7.24%	*	5%	-0-
January 1, 1991	*	5.58% and 7.81%	*	5%	-0-
October 1, 1991	*	5.58% and 7.81%	*	5%	-0-
January 1, 1992	*	5.58% and 7.81%	*	5%	-0-
October 1, 1992	*	5.58% and 7.81%	*	5%	-0-

¹The corporation franchise or income tax rate was 20% of the individual income tax rate from January 1, 1968 through December 31, 1972. From January 1, 1973 through December 31, 1974, the corporate tax rate was 25% of the individual rate. From January 1, 1975 through December 31, 1981, the corporate tax rate was 25% of the individual rate for the first \$25,000 of taxable income and 27.5% of the individual rate for the excess over \$25,000. Beginning on January 1, 1982, the corporate tax rate was 25% of the individual rate for the first \$50,000 of taxable income and 35% of the individual rate for the excess over \$50,000. Beginning on January 1, 1986, financial institutions were not subject to corporate income tax, but rather paid a franchise tax of 40¢ per \$1,000 of average deposits, limited by the institution's net financial income multiplied by 3.25%. Beginning on January 1, 1990, this franchise tax was 43¢ per \$1,000 of average deposits, limited by the institution's net financial income multiplied by 3.53%. Beginning on January 1, 1991, financial institutions pay a franchise tax of 47¢ per \$1,000 of average deposits, limited by the institution's net financial income multiplied by 3.81%.

For tax year 1992, a depreciation surcharge equal to 2% of all depreciation, except on motor vehicles, is payable with the income tax return. Corporations are also subject to a corporate surtax equaling 1.17% of all taxable income over \$200,000.

Beginning with tax year 1987, the corporation income tax rate was calculated as a percent of the primary individual rate. The primary individual rate was the second tier of the individual rate structure which was 3.15%. The primary rate increased to 3.43% beginning January 1, 1990, and increased to 3.7% beginning January 1, 1991. The corporation rate on the first \$50,000 of taxable income is 150.8% of the primary rate and 211% of the primary rate on the excess.

²The withholding rate effective June 25, 1968 was 10% or 9% if the federal surcharge was withheld. This provision was effective until January 1, 1970.

³The individual income tax rate was changed during the tax year.

⁴The sales tax rate was changed by the State Board of Equalization to 4% for nine months to raise \$30 million.

⁵The sales tax rate increased from 4% to 5%.

*LB773, 1987 Legislative Session revised the Nebraska individual income tax effective with the 1987 tax year. The tax computations will begin with federal adjusted gross income, rather than federal tax liability. For tax years 1987 and 1988, the rates were 2.0, 3.15, 5.0, and 5.9% of Nebraska taxable income; for tax year 1989, the rates were 2.0, 3.1, 4.8, and 5.9%; for tax year 1990, the rates were 2.2, 3.36, 5.21, and 6.41%; and for tax years 1991 and 1992, the rates were 2.37, 3.63, 5.62, and 6.92%. These rates were used with the 1987 federal brackets through tax year 1992. For tax years 1987 through 1990, the personal exemption was \$1,100, \$1,130, \$1,180, and \$1,230; the standard deduction for single taxpayers was \$2,530, \$3,000, \$3,100, and \$3,250 and for joint taxpayers was \$3,740, \$5,000, \$5,200, and \$5,450. For tax years 1991 and 1992, the personal exemption was \$1,290 and \$1,360; the standard deduction for single taxpayers was \$3,400 and \$3,600 and for joint taxpayers was \$5,700 and \$6,000.

Withholding rates for 1988 through 1992 varied according to a Nebraska schedule. See the Nebraska Circular EN for specific rates.

History of Nebraska Motor Fuel Tax Rates Through 1992

Effective Date	Aircraft Fuel		Gasohol ¢/Gal.	Motor Fuel ¢/Gal.	Special Fuel ¢/Gal.	Variable Excise Tax		Total Gasohol ¢/Gal.	Total M.F. & S.F. Tax ¢/Gal.	Tax Credit	
	Gas ¢/Gal.	Jet ¢/Gal.				Percent	¢/Gal.			Gasohol ¢/Gal.	Gasohol ¢/Gal.
April 1, 1925 ¹	none	none	none	2	none	none	none	none	2	none	none
March 30, 1929	none	none	none	4	none	none	none	none	4	none	none
March 25, 1937 ²	none	none	none	5	none	none	none	none	5	none	none
May 11, 1945 ³	5	5	none	5	none	none	none	none	5	none	none
May 11, 1953	5	5	none	6	none	none	none	none	6	none	none
Jan. 1, 1954 ⁴	5	5	none	6	6	none	none	none	6	none	none
Sept. 19, 1957	5	5	none	7	7	none	none	none	7	none	none
April 1, 1965 ⁵	5	5	none	7.5	7.5	none	none	none	7.5	none	none
Jan. 1, 1970	5	5	none	8.5	8.5	none	none	none	8.5	none	none
Jan. 1, 1973 ⁶	5	5	5.5	8.5	8.5	none	none	5.5	8.5	7.2	.583
August 1, 1977	5	5	4.5	9.5	9.5	none	none	4.5	9.5	8.2	.634
Sept. 2, 1977	5	5	4.5	9.5	9.5	none	none	4.5	9.5	8.2	.390
June 1, 1979	5	5	5.5	10.5	10.5	none	none	5.5	10.5	9.2	.457
Oct. 1, 1980 ⁷	5	5	6.5	11.5	11.5	2	1.8	8.3	13.3	11.8	.576
Nov. 1, 1980	5	5	6.5	11.5	11.5	2	2.1	8.6	13.6	12.1	.587
April 1, 1981	5	5	6.5	11.5	11.5	2	2.2	8.7	13.7	12.2	.590
May 1, 1981	5	5	6.5	11.5	11.5	2	2.4	8.9	13.9	12.4	.597
April 1, 1982	5	5	6.5	11.5	11.5	2	2.2	8.7	13.7	12.2	.590
July 1, 1982	5	5	6.5	11.5	11.5	2.2	2.2	8.7	13.7	12.2	.590
Oct. 1, 1982	5	5	6.5	11.5	11.5	2.2	2.5	9.0	14.0	12.5	.600
Jan. 1, 1983	5	5	6.5	11.5	11.5	2.2	2.4	8.9	13.9	12.4	.597
April 1, 1983	5	5	6.5	11.5	11.5	2.2	2.2	8.7	13.7	12.2	.590
July 1, 1983	5	5	6.5	11.5	11.5	4.0	3.8	10.3	15.3	13.8	.638
Oct. 1, 1983	5	5	6.5	11.5	11.5	4.0	4.0	10.5	15.5	14.0	.643
Jan. 1, 1984	5	5	6.5	11.5	11.5	4.0	3.9	10.4	15.4	13.9	.640
April 1, 1984	5	5	6.5	11.5	11.5	4.0	3.7	10.2	15.2	13.7	.635
July 1, 1984	5	5	6.5	11.5	11.5	3.7	3.4	9.9	14.9	13.4	.627
Oct. 1, 1984	5	5	6.5	11.5	11.5	3.7	3.2	9.7	14.7	13.2	.621
Jan. 1, 1985	5	5	6.5	11.5	11.5	3.7	3.4	9.9	14.9	12.9	.612
April 1, 1985	5	5	6.5	11.5	11.5	3.7	3.0	9.5	14.5	12.5	.600
July 1, 1985	5	5	8.5	11.5	11.5	5.3	4.9	13.4	16.4	14.4	.792
Oct. 1, 1985 ⁸	5	3	9.5	12.5	12.5	5.3	4.9	14.4	17.4	15.4	.805
Jan. 1, 1986	5	3	9.5	12.5	12.5	5.3	4.7	14.2	17.2	15.2	.803
April 1, 1986	5	3	9.5	12.5	12.5	5.3	4.2	13.7	16.7	14.7	.796
July 1, 1986	5	3	9.5	12.5	12.5	11.6	6.5	16.0	19.0	17.0	.824
Oct. 1, 1986	5	3	9.5	12.5	12.5	11.6	4.6	14.1	17.1	15.1	.801
Jan. 1, 1987 ⁹	5	3	9.5	12.5	12.5	11.6	5.7	15.2	18.2	16.2	.815
April 1, 1987	5	3	9.5	12.5	12.5	11.6	6.5	16.0	19.0	17.0	.824
July 1, 1987	5	3	9.5	12.5	12.5	8.8	5.1	14.6	17.6	15.6	.808
Oct. 1, 1987	5	3	9.5	12.5	12.5	8.8	5.4	14.9	17.9	15.9	.811
Jan. 1, 1988	5	3	9.5	12.5	12.5	8.8	5.8	15.3	18.3	16.3	.816
April 1, 1988	5	3	9.5	12.5	12.5	8.8	4.8	14.3	17.3	15.3	.804
July 1, 1988	5	3	9.5	12.5	12.5	10.4	6.2	15.7	18.7	16.7	.820
Oct. 1, 1988	5	3	9.5	12.5	12.5	10.4	5.8	15.3	18.3	16.3	.816
Jan. 1, 1989	5	3	9.5	12.5	12.5	10.4	5.7	15.2	18.2	16.2	.815
April 1, 1989	5	3	9.5	12.5	12.5	10.4	6.0	15.5	18.5	16.5	.818
July 1, 1989	5	3	9.5	12.5	12.5	12.9	9.8	19.3	22.3	20.3	.852
Oct. 1, 1989 ¹⁰	5	3	9.5	12.5	12.5	14.2	9.5	19.0	22.0	20.0	.850
Dec. 1, 1989	5	3	9.5	12.5	12.5	14.2	9.5	19.0	22.0	20.0	.850
April 1, 1990	5	3	9.5	12.5	12.5	14.2	10.3	19.8	22.8	20.8	.856
July 1, 1990	5	3	9.5	12.5	12.5	13.8	9.4	18.9	21.9	19.9	.849
July 10, 1990	5	3	10.5	12.5	12.5	13.8	9.4	19.9	21.9	19.9	.900
Oct. 1, 1990	5	3	10.5	12.5	12.5	13.8	8.9	19.4	21.4	19.4	.897
Jan. 1, 1991	5	3	10.5	12.5	12.5	13.8	14.0	24.5	26.5	24.5	.918
April 1, 1991	5	3	10.5	12.5	12.5	13.8	11.4	21.9	23.9	21.9	.908
July 1, 1991	5	3	10.5	12.5	12.5	15.4	11.2	21.7	23.7	21.7	.908
Oct. 1, 1991	5	3	10.5	12.5	12.5	15.4	10.9	21.4	23.4	21.4	.908
Jan. 1, 1992	5	3	10.5	12.5	12.5	15.4	11.3	21.8	23.8	21.8	.908
April 1, 1992	5	3	10.5	12.5	12.5	15.4	9.2	19.7	21.7	19.7	.898
July 1, 1992	5	3	10.5	12.5	12.5	16.4	11.1	21.6	23.6	21.6	.907
Oct. 1, 1992 ¹¹	5	3	10.5	12.5	12.5	16.4	11.5	22.0	24.0	22.0	.909

¹Motor Fuel Tax deposited in Gasoline Highway Fund.

²Motor Fuel Tax 4.5¢ portion deposited in Gasoline Highway Fund and .5¢ deposited in State Assistance Fund. Beginning July 1, 1939, 4¢ portion deposited in Gasoline Highway Fund and 1¢ portion deposited in State Assistance Fund. Beginning May 27, 1947, 5¢ Motor Fuel Tax deposited in Gasoline Tax Fund.

³Aircraft Fuel Tax deposited in Aviation Fund.

⁴Special Fuel Tax deposited in Use Fuel Tax Fund. Beginning May 6, 1963, Special Fuel Tax deposited in Gasoline Tax Fund.

⁵Beginning July 1, 1965, Aircraft Fuel Tax deposited in Aircraft Fuel Tax Fund. Beginning August 4, 1969, Motor Fuel and Special Fuel Taxes deposited in Highway Trust Fund.

⁶Gasohol Tax deposited in Highway Trust Fund. Tax credit gasoline first claimed as a credit on income tax beginning January 1, 1973. Prior to 1973, refund was claimed separately as Ag. refund.

⁷Motor Fuel, Special Fuel and Gasohol Taxes 1¢ portion deposited in City and County Road Fund. Variable Excise Tax Portion deposited in Highway Cash Fund and the remainder deposited in Highway Trust Fund.

⁸Motor Fuel, Special Fuel and Gasohol Taxes 2¢ portion deposited in City and County Road Fund, Variable Excise Tax Portion deposited in Highway Cash Fund and the remainder deposited in Highway Trust Fund.

⁹Motor Fuel, Special Fuel and Gasohol Taxes 2¢ portion deposited in City and County Road Fund, Variable Excise Tax Portion deposited in Highway Cash Fund and the remainder deposited in Highway Trust Fund.

¹⁰In addition, there is a Petroleum Release Remedial Action Fee of 0.3¢ per gallon on gasoline and gasohol, and 0.1¢ per gallon on other petroleum products. The fee amounts will double if the Petroleum Release Remedial Action Cash Fund balance falls below \$2 million.

¹¹The Petroleum Release Remedial Action Fee increased to 0.6 cents per gallon on gasoline and 0.2 cents per gallon on other petroleum products.