

Nebraska

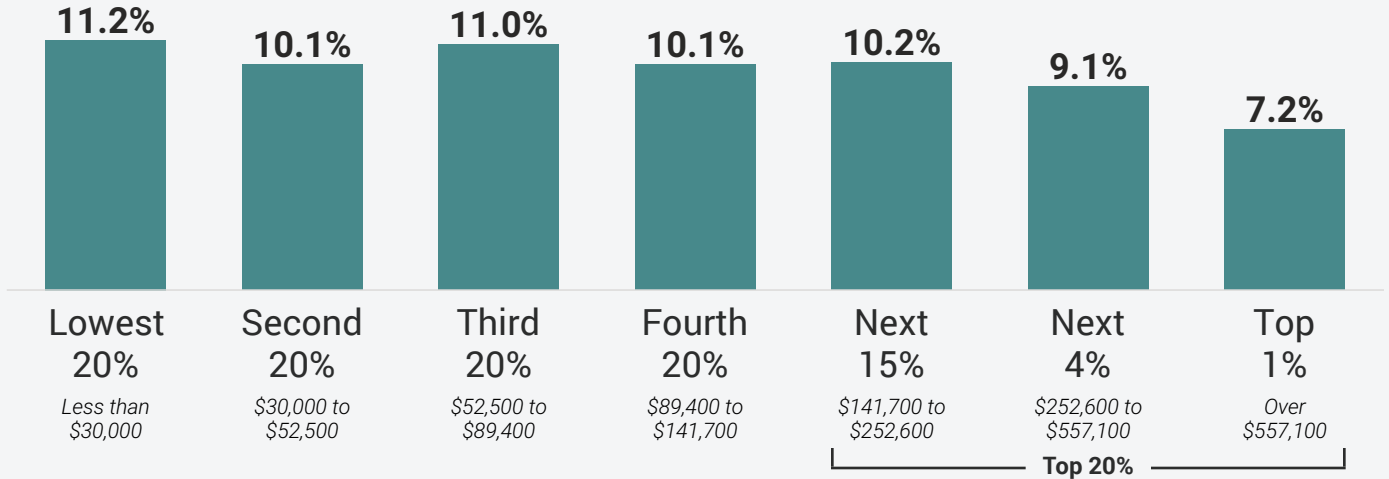
State and local tax shares of family income

Total Taxes

Share of family income

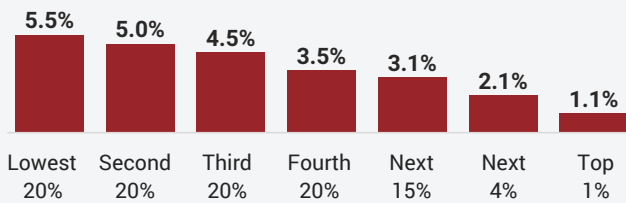


REGRESSIVE



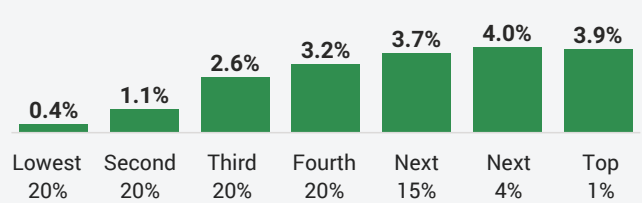
Sales & Excise Taxes

Share of family income



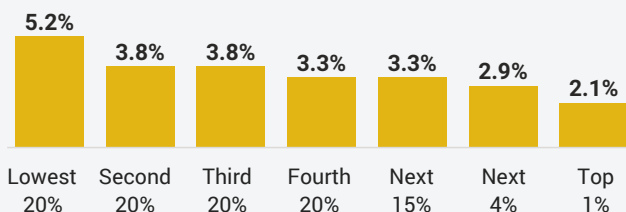
Personal Income Taxes

Share of family income



Property Taxes






Share of family income



Note: All figures and charts show 2024 tax law in Nebraska, presented at 2023 income levels. Senior taxpayers are excluded for reasons detailed in the methodology. Our analysis includes nearly all (99.5 percent) state and local tax revenue collected in Nebraska. These figures depict Nebraska's personal income, corporate income and property taxes at 2024 levels, each of which will see reductions over the next three years. As seen in Appendix E, this will decrease the overall tax rate paid by the top 1 percent of households by 1.2 percentage points and cause the state to move 10 spots in the ITEP Inequality Index rankings, from 30th to 20th most regressive.

Nebraska State and local tax (cont.)

Individual figures may not sum to totals due to rounding.

Income Group	Top 20%						
	Lowest 20%	Second 20%	Middle 20%	Fourth 20%	Next 15%	Next 4%	Top 1%
Income Range	Less than \$30,000	\$30,000 to \$52,500	\$52,500 to \$89,400	\$89,400 to \$141,700	\$141,700 to \$252,600	\$252,600 to \$557,100	Over \$557,100
Average Income in Group	\$16,400	\$41,500	\$67,500	\$112,500	\$174,900	\$361,600	\$1,244,900
 Sales & Excise Taxes	5.5%	5.0%	4.5%	3.5%	3.1%	2.1%	1.1%
General Sales—Individuals	2.9%	2.9%	2.6%	2.0%	1.7%	1.1%	0.4%
Other Sales & Excise—Ind.	1.0%	0.6%	0.5%	0.4%	0.3%	0.2%	0.1%
Sales & Excise—Business	1.6%	1.5%	1.4%	1.2%	1.1%	0.9%	0.6%
 Property Taxes	5.2%	3.8%	3.8%	3.3%	3.3%	2.9%	2.1%
Home, Rent, Car—Individuals	4.1%	2.9%	2.9%	2.3%	2.3%	1.7%	0.8%
Other Property Taxes	1.1%	0.9%	1.0%	0.9%	1.0%	1.2%	1.3%
 Income Taxes	0.4%	1.1%	2.6%	3.2%	3.7%	4.0%	3.9%
Personal Income Taxes	0.4%	1.1%	2.6%	3.2%	3.7%	4.0%	3.9%
Corporate Income Taxes	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
 Other Taxes	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
 TOTAL TAXES	11.2%	10.1%	11.0%	10.1%	10.2%	9.1%	7.2%

ITEP Tax Inequality Index

ITEP's Tax Inequality Index measures the effects of each state's tax system on income inequality. **According to this measure, Nebraska has the 30th most regressive state and local tax system in the country.** Income disparities are larger in Nebraska after state and local taxes are collected than before. (See Appendix B for state-by-state rankings and the report methodology for additional detail.)

Tax features driving the data in Nebraska

PROGRESSIVE

Graduated personal income tax structure, though top rate kicks in at \$35,380 (single) so a large share of families face top rate; scheduled changes will lower that threshold further

Partially refundable dependent care tax credit

Sales tax base excludes groceries

Requires combined reporting for the corporate income tax; some foreign tax haven income is partially taxed through GILTI inclusion

Levies a county-level inheritance tax

Refundable Earned Income Tax Credit (EITC)

REGRESSIVE

No property tax "circuit breaker" credit for low-income, non-senior taxpayers

Comparatively low Earned Income Tax Credit (EITC)

Real estate transfer tax does not include higher rate on high-value sales

No Child Tax Credit (CTC)