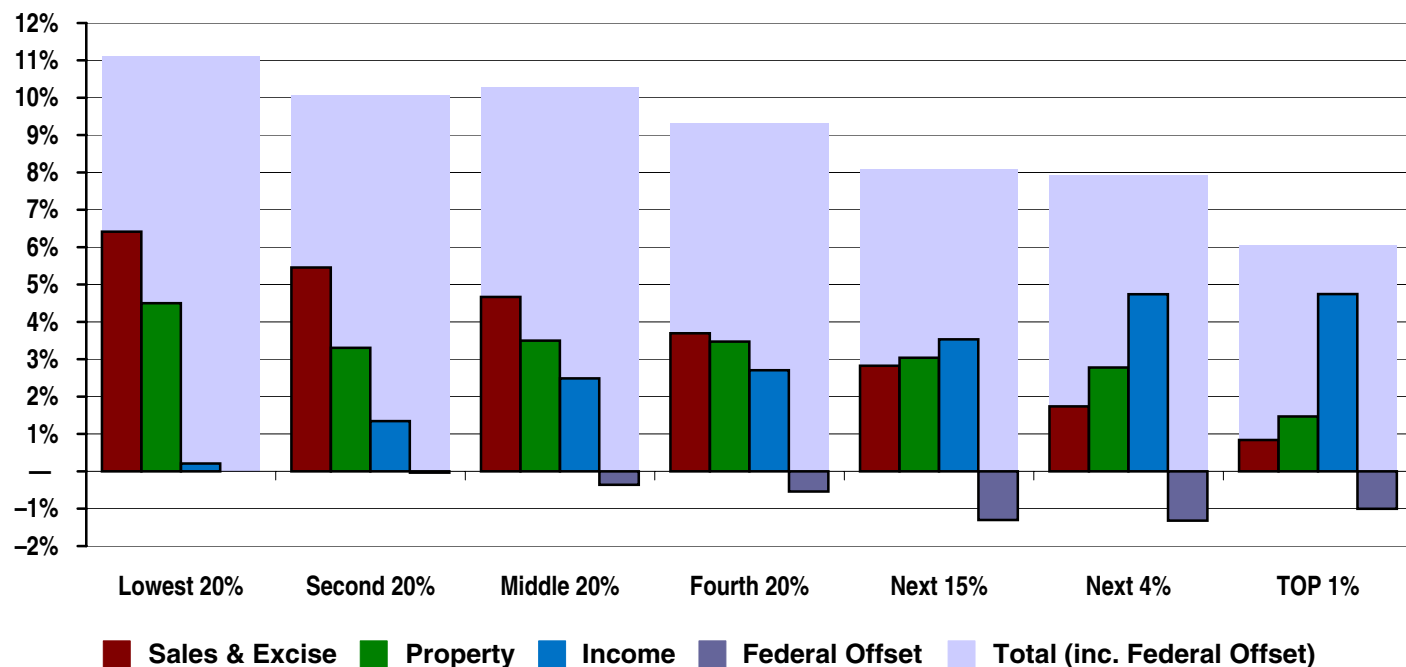


Nebraska

State & Local Taxes in 2007

Shares of family income for non-elderly taxpayers



Income Group	Lowest 20%	Second 20%	Middle 20%	Fourth 20%	Top 20%		
					Next 15%	Next 4%	TOP 1%
Income Range	Less than \$20,000	\$20,000 – \$34,000	\$34,000 – \$57,000	\$57,000 – \$88,000	\$88,000 – \$163,000	\$163,000 – \$381,000	\$381,000 or more
Average Income in Group	\$10,700	\$27,300	\$44,700	\$69,800	\$115,000	\$233,000	\$1,426,000
Sales & Excise Taxes	6.4%	5.5%	4.7%	3.7%	2.8%	1.7%	0.8%
General Sales—Individuals	3.5%	3.1%	2.8%	2.3%	1.7%	1.1%	0.5%
Other Sales & Excise—Ind.	1.0%	0.6%	0.6%	0.4%	0.3%	0.2%	0.0%
Sales & Excise on Business	2.0%	1.7%	1.4%	1.0%	0.8%	0.5%	0.2%
Property Taxes	4.5%	3.3%	3.5%	3.5%	3.0%	2.8%	1.5%
Property Taxes on Families	4.5%	3.3%	3.4%	3.3%	2.9%	2.3%	0.6%
Other Property Taxes	0.0%	0.0%	0.1%	0.2%	0.1%	0.4%	0.8%
Income Taxes	0.2%	1.3%	2.5%	2.7%	3.5%	4.7%	4.7%
Personal Income Tax	0.2%	1.3%	2.5%	2.7%	3.5%	4.7%	4.6%
Corporate Income Tax	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.2%
TOTAL TAXES	11.1%	10.1%	10.7%	9.9%	9.4%	9.3%	7.1%
Federal Deduction Offset	—	-0.0%	-0.4%	-0.5%	-1.3%	-1.3%	-1.0%
TOTAL AFTER OFFSET	11.1%	10.1%	10.3%	9.3%	8.1%	7.9%	6.1%

Note: Table shows 2007 tax law updated to reflect permanent changes in law enacted through October 2009.

Nebraska

State & Local Taxes

Features, Developments, and Comparisons

Progressive Features

- ✓ Income tax uses a graduated rate structure
- ✓ Provides a refundable earned income tax credit (EITC)
- ✓ Offers an income tax credit for child and dependent care expenses
- ✓ Requires the use of combined reporting

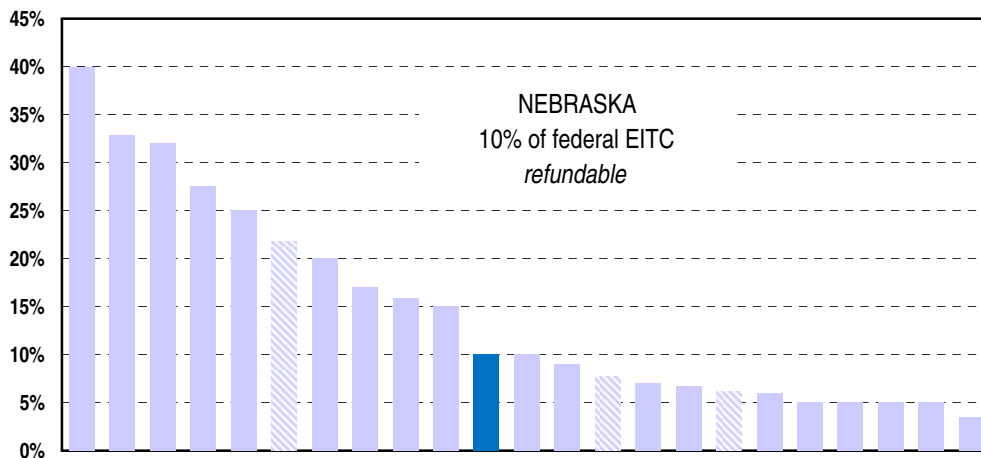
Regressive Features

- ✗ Comparatively high reliance on property taxes

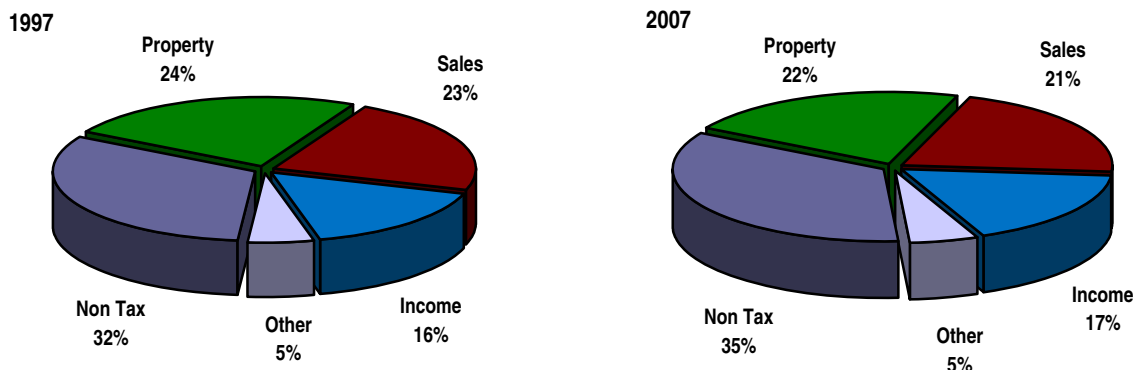
Recent Developments

- ▲ Adjusted income tax brackets and increased standard deduction for married couples
- ▲ Created an EITC and subsequently increased it to 10 percent of the federal credit

Effective State Earned Income Tax Credit (EITC) Rates



Change in the Composition of Revenue



Source: U.S. Census Bureau, Government Finances