



Nebraska

#24

Overall Rank	Corporate Tax Rank	Individual Income Tax Rank	Sales Tax Rank	Property Tax Rank	Unemployment Insurance Tax Rank
24	20	26	13	45	3

Nebraska has taken strides to improve its income tax competitiveness in recent years by reducing its individual and corporate income tax rates. Currently, the state's graduated individual income tax rates range from 2.46 percent to 5.84 percent, and its corporate income tax rates range from 5.58 to 5.84 percent. Despite these improvements, Nebraska maintains an uncompetitive "convenience of the employer rule," which can lead to double taxation (with no offsetting credit) for remote employees working for businesses located in Nebraska—ultimately a disincentive for businesses to locate in the state if they want to be able to hire across the country. Nebraska also requires individual income tax filing and withholding for nonresidents working even a single day in the state.

Notably, Nebraska's property taxes are on the high side regionally and nationally, and Nebraska is one of the few states that continues to impose an antiquated capital stock tax, which is assessed against the net worth of Nebraska corporations and imposed regardless of whether a firm makes a profit. The Nebraska Occupation Tax, as it is known in the state, is collected every other year, which complicates the filing process, since firms must track their net worths across two tax years. Nebraska also retains an inheritance tax, albeit on a declining share of beneficiaries, and is the only state to have adopted but then abandoned a tangible personal property tax de minimis exemption.