

<http://www.MSCNews.net/news/index.cfm?nk=43406>

Slow Growth Projected for Nebraska Tax Revenue

LINCOLN, Neb. (AP) - Nebraska's state tax revenue likely won't grow as fast in the future because of a law passed earlier this year.

The director of Nebraska's Legislative Fiscal Office said Wednesday that the average growth rate will likely decline in the future.

The officials generally assume that revenue will grow at an average rate of 5 percent per year. Fiscal office director Michael Calvert told a legislative committee that a new tax-bracket indexing law will slow the increases over time.

The law ensures that Nebraska's income tax brackets automatically keep pace with inflation. Previously, taxpayers who received a cost-of-living increase would get bumped into a higher tax bracket, where they ended up paying more.

Lawmakers will craft a new two-year state budget in the session that begins in January.

Associated Press