

# The Real Taxpayers of Nebraska

As the Tax Modernization Committee and the state of Nebraska consider how to reform our tax code, OpenSky Policy Institute will examine how much people currently pay and what proposed tax changes would mean for these taxpayers, which are based on real Nebraskans.

## Dan



Dan is a single, 51-year-old small-business owner who lives in an apartment in a metropolitan area. He earns \$19,618 annually. **He pays 6.93 percent of his income in Nebraska taxes:**

- State income tax -- \$218 (1.1% of his income)
- Property tax -- \$864 (4.4% of his income)
- Motor vehicle tax -- \$89 (0.45% of his income)
- Sales tax -- \$189 (0.96% of his income)

## George and Peggy



George and Peggy are married, in their sixties and live in a house in a small town in rural Nebraska. George works and they earn \$108,255 from farm income, investments, and retirement. **They pay 6.59 percent of their income in Nebraska taxes:**

- State income tax -- \$4,668 (4.31% of their income)
- Property tax -- \$1,289 (1.19% of their income)
- Motor vehicle tax -- \$365 (0.34% of their income)
- Sales tax -- \$816 (0.75% of their income)

## Fritz and Beth



Fritz and Beth are married, retired and live in an apartment in a metropolitan area. Their annual income is \$37,790 and comes entirely from their retirement incomes, which is not taxable. **They pay 4.29 percent of their income in Nebraska taxes:**

- Income tax -- \$0
- Property tax -- \$1,285 (3.4% of their income)
- Motor vehicle tax -- \$123 (0.33% of their income)
- Sales tax -- \$213 (0.46% of their income)

## Steve and Andrea



Steve and Andrea are married with three children and live in a house in a metropolitan area. Steve works and they earn \$66,545 annually entirely from his wages. **They pay 8.17 percent of their income in Nebraska taxes:**

- State income tax -- \$1,603 (2.41% of their income)
- Property tax -- \$2,678 (4.02% of their income)
- Motor vehicle tax -- \$322 (0.48% of their income)
- Sales tax -- \$832 (1.25% of their income)

## Chris and Jill



Chris and Jill are married with three children and they live in a house in a small town in rural Nebraska. They both work and they earn \$359,068 from wages and farm income. **They pay 7.62 percent of their income in Nebraska taxes:**

- State income tax -- \$21,964 (6.12% of their income)
- Property tax -- \$3,340 (0.93% of their income)
- Motor vehicle tax -- \$245 (0.07% of their income)
- Sales tax -- \$1,808 (0.50% of their income)

## Darren and Stephanie



Darren and Stephanie are married, in their 60s and they both work. They live in a house in a metropolitan area and earn \$2,715,877 annually, which comes from business income, rental income, and investments. **They pay 5.99 percent of their income in Nebraska taxes:**

- State income tax -- \$149,788 (5.52% of their income)
- Property tax -- \$11,038 (0.41% of their income)
- Motor vehicle tax -- \$260 (0.01% of their income)
- Sales tax -- \$1,633 (0.06% of their income)

(METHODOLOGY NOTE: Property tax numbers for apartment residents are estimated indirect property tax payments as renters do not directly pay property taxes. Sales tax numbers are estimated and do not include large purchases such as automobiles. )