

AMENDMENTS TO LB 613

Introduced by Executive Board

1 1. Strike the original sections and insert the following
2 new sections:

3 Section 1. The Legislature finds that the economy is
4 constantly changing, requiring the need to continually review and
5 update the state tax laws. Furthermore, the Legislature finds that
6 state, county, and other local tax policies are interdependent and
7 that there are consequences, intended and otherwise, that need to
8 be studied when adjustments are made to the state tax laws, such as
9 instability for state, county, and other local governments. The Tax
10 Modernization Committee's purpose is to review and study Nebraska's
11 tax law, including, but not limited to, sales and use taxes, income
12 taxes, property taxes, and other miscellaneous taxes and credits.

13 Sec. 2. The Tax Modernization Committee is created as a
14 special legislative committee. The committee shall be composed of
15 the following individuals:

16 (1) The members of the Revenue Committee of the
17 Legislature;

18 (2) The chairperson of the Appropriations Committee of
19 the Legislature;

20 (3) The chairperson of the Health and Human Services
21 Committee of the Legislature;

22 (4) The chairperson of the Education Committee of the
23 Legislature;

1 (5) The chairperson of the Agriculture Committee of the
2 Legislature; and

3 (6) The chairperson of the Legislature's Planning
4 Committee.

5 Sec. 3. The chairperson of the Revenue Committee of the
6 Legislature shall serve as the chairperson of the Tax Modernization
7 Committee. The committee shall meet as often as necessary to
8 accomplish the objectives established in sections 1 to 7 of this
9 act. At least one meeting shall be held concurrently with a
10 meeting of the Legislative Council called by the chairperson of the
11 Executive Board of the Legislative Council for such purpose.

12 Sec. 4. The Tax Modernization Committee shall consider,
13 but is not limited to, the following six elements for successful
14 tax modernization:

15 (1) Fairness. The committee shall review the tax burden
16 for sales and use taxes, income taxes, property taxes, and
17 miscellaneous taxes of different taxpayers, from Nebraska families
18 to Nebraska businesses, from small businesses to big businesses,
19 and within different industry sectors in the state. The tax system
20 should treat people equitably;

21 (2) Competitiveness. Any changes to the tax system should
22 ensure that Nebraska continues to attract high-paying jobs and
23 investment to the state, while keeping and protecting the jobs and
24 businesses we already have. The committee shall review how Nebraska
25 compares to other states regarding business taxes and identify ways
26 to improve business tax competitiveness;

27 (3) Simplicity and compliance. A tax system should

1 be easy to understand and follow. The committee shall make
2 recommendations to ensure that compliance with Nebraska's tax
3 system is simple for individuals and businesses and to ensure
4 efficient administration by the state;

5 (4) Stability. A stable tax system has revenue that is
6 relatively reliable over time and not subject to unpredictable
7 fluctuations. The committee shall not only address the stability
8 of Nebraska's current tax system but shall also ensure that any
9 recommended changes will maintain or improve stability;

10 (5) Adequacy. The tax modernization process should create
11 a tax system that provides adequate revenue to fund critical state
12 services. The tax structure should allow revenue to keep pace with
13 spending needs; and

14 (6) Complementary tax systems. Updating of the tax system
15 should address the interrelationships of tax systems within the
16 state revenue system as a whole.

17 Sec. 5. The Legislature finds that community discourse
18 and involvement is essential to the success of the Tax
19 Modernization Committee. The committee shall engage the public in
20 a variety of ways.

21 Sec. 6. The Tax Modernization Committee shall examine
22 previous studies, including, but not limited to, the Tax Policy
23 Reform Commission from 2005 to 2007 and the comprehensive tax
24 study done by Syracuse University from 1986 to 1988, and ascertain
25 which recommendations from such studies can be utilized in the
26 committee's research. The committee may require any state agency
27 or political subdivision to provide information relevant to the

1 committee's work, and the state agency or political subdivision
2 shall provide the information requested within thirty days after
3 the request. The committee may hold public hearings and, pursuant
4 to section 50-406 and the Rules of the Nebraska Unicameral
5 Legislature, may exercise its authority to administer oaths, issue
6 subpoenas, compel attendance of witnesses and the production of
7 documents, and cause depositions of witnesses to be taken in the
8 manner prescribed by law for taking depositions in civil actions
9 in the district court. The committee shall issue a report to the
10 Executive Board of the Legislative Council and the Governor by
11 December 15, 2013, containing any recommendations to update state,
12 county, and local tax policies and corresponding proposed language
13 for legislation. The report submitted to the Legislature shall be
14 submitted electronically. The committee shall also identify areas
15 of concern that require further in-depth analysis and study.

16 Sec. 7. Once the report required under section 6 of
17 this act has been submitted, the Tax Modernization Committee shall
18 continue meeting as necessary until December 31, 2015.

19 Sec. 8. Since an emergency exists, this act takes effect
20 when passed and approved according to law.