

ONE HUNDRED THIRD LEGISLATURE - FIRST SESSION - 2013
COMMITTEE STATEMENT (CORRECTED)
LB82

Hearing Date: Tuesday March 05, 2013
Committee On: Revenue
Introducer: Schumacher
One Liner: Adopt the Taxpayer Investment Program

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:

Aye: 8 Senators Hadley, Hansen, Harr, Janssen, McCoy, Pirsch, Schumacher, Sullivan
Nay:
Absent:
Present Not Voting:

Proponents:

Sen. Paul Schumacher
Loren Schmit

Representing:

Introducer
Self

Opponents:

Representing:

Neutral:

Representing:

Summary of purpose and/or changes:

The bill creates the Taxpayer Investment Program. The Program would allow taxpayers to make "advance tax payments" or "tax investments" that would accumulate interest at the rate specified in the bill. The taxpayer could then redeem the investment as credit against taxes owed to the State after five years or upon reaching the age of 62, or upon death, whichever is earlier.

Credits may be transferred subject to certain conditions, including a ten percent transfer fee to the State. Credits remaining unclaimed upon the death of the taxpayer would be applied first to any inheritance tax, then to reimburse any state aid paid under Chapter 68 (Public Assistance), then a ten percent transfer fee to the state and then to the heirs or devisees of the decedent.

Credits must be claimed on a first paid, first claimed basis. The State may redeem outstanding credits. Credits expire unless claimed within twenty years of the underlying payment.

*Note that the phrase "underlying payment" is not defined.

The bill contains a severability clause and repeals relevant sections.

Explanation of amendments:

The Committee amendments clarify the formula used to determine the program rate described in the original bill.

The Committee amendments also alter the original bill by making credits claimed applicable only to the personal income tax, corporate income tax, and to inheritance tax liability.

Galen Hadley, Chairperson