

One Hundred Third Legislature - First Session - 2013

Introducer's Statement of Intent

LB159

Chairperson: Senator Galen Hadley

Committee: Revenue

Date of Hearing: March 14, 2013

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

The on going financial instability arising from a failed federal fiscal policy and continuing extraordinary effort by the Federal Reserve Bank to compensate for extreme deficits, unacceptable unemployment, and significant monthly deficits in the Current Account of the United States has resulted in many savers seeking what they perceive as safe haven investments in precious metals. In cases where a Nebraska saver takes actual possession of the metal in Nebraska, tax is due in the form of the sales or use tax. Many savers do not realize this or have chosen to ignore payment of the tax. The amount of tax due but unpaid is impossible to estimate but could easily run into the tens of millions. Interest and penalties are also due.

LB159 establishes a limited window of opportunity for a saver to pay the past due tax without incurring interest or penalties. For those that fail to take advantage of this leniency for past purchases or ignore the law in the future, the statute of limitations is extended causing the nest egg to be in jeopardy of complete erosion by interest and penalties well into the future.

LB159 raises the issue of whether such savings should be subject to a lesser tax or perhaps subject to no tax at all. It outlines a provision for the registration of savers eligible to purchase the metals at a reduced or zero sales tax rate.

Principal Introducer: _____

Senator Paul Schumacher

