

ONE HUNDRED SEVENTH LEGISLATURE - FIRST SESSION - 2021
COMMITTEE STATEMENT
LB38

Hearing Date: Thursday February 04, 2021
Committee On: Revenue
Introducer: Lindstrom
One Liner: Change provisions relating to tax credits and retaliatory taxes

Roll Call Vote - Final Committee Action:
Advanced to General File

Vote Results:

Aye: 8 Senators Albrecht, Bostar, Flood, Briese, Friesen, Lindstrom, Pahls,
Linehan

Nay:

Absent:

Present Not Voting:

Oral Testimony:

Proponents:

Senator Brett Lindstrom
Bruce Ramage

Representing:

Introducer
Director of Insurance - NE

Opponents:

Representing:

Neutral:

Representing:

Summary of purpose and/or changes:

The bill makes technical corrections to three credit programs:

1. New Markets Job Growth Investment Act;
2. Affordable Housing Tax Credit Act; and
3. Nebraska Job Creation and Mainstreet Revitalization Act.

Insurance companies doing business in Nebraska pay premium taxes, which are then credited against the corporate income tax. Most states have retaliatory taxes, designed to equalize the assessed taxes on foreign insurers so that they do not have an advantage over domestic insurers. Therefore, insurance companies will pay the greater of the tax rate of its domicile or the tax rate in the state in which the premium was written.

Insurance companies may qualify for credits under any of the three programs. LB38 clarifies that when claiming one of these credits, insurance companies will not be required to pay any additional related retaliatory taxes, up to the full amount of the claimed credit.

Lou Ann Linehan, Chairperson