

FIFTEENTH DAY - JANUARY 30, 2008

LEGISLATIVE JOURNAL

**ONE HUNDREDTH LEGISLATURE
SECOND SESSION**

FIFTEENTH DAY

Legislative Chamber, Lincoln, Nebraska
Wednesday, January 30, 2008

PRAYER

The prayer was offered by Pastor Rick Snodgrass, Assembly of God, Wayne.

ROLL CALL

Pursuant to adjournment, the Legislature met at 9:00 a.m., Senator Langemeier presiding.

The roll was called and all members were present except Senator Johnson who was excused; and Senators Ashford, Avery, Cornett, Flood, Heidemann, Janssen, Kruse, Lautenbaugh, Pedersen, Schimek, and Synowiecki who were excused until they arrive.

CORRECTIONS FOR THE JOURNAL

The Journal for the fourteenth day was approved.

COMMITTEE REPORTS

Enrollment and Review

LEGISLATIVE BILL 123. Placed on Select File with amendment.
ER8152

- 1 1. In the Standing Committee amendments, AM626, on page
- 2 1, lines 4 and 5, strike "Nebraska Foreclosure Protection Act" and
- 3 insert "act"; in line 6 strike the second "on" and insert "of"; and
- 4 in line 23 strike the underscored period.
- 5 2. On page 5, line 6, strike "or due to"; in line 7 after
- 6 the second "foreclosure" insert an underscored comma; and in line 8
- 7 strike "resulting from".
- 8 3. On page 8, line 2, strike "(11)" and insert "(15)".
- 9 4. On page 9, line 18; and page 10, line 14, after
- 10 "FACSIMILE" insert "NUMBER".
- 11 5. On page 10, line 15, after "EMAIL" insert "ADDRESS".
- 12 6. On page 11, line 5, after "facsimile" insert "number".
- 13 7. On page 13, lines 15 and 21, strike "consultant" and

14 insert "consulting".

15 8. On page 15, line 24, before "The insert "(2)".

16 9. On page 17, line 8, strike the second comma; and in

17 line 20 after "CONTRACT" insert "WAS".

18 10. On page 22, line 4, after the first comma insert

19 "or".

LEGISLATIVE BILL 179. Placed on Select File with amendment.
ER8151

1 1. In the Standing Committee amendments, AM583, on page

2 3, lines 11 and 12, strike ", 6, and" and insert "to".

LEGISLATIVE BILL 179A. Placed on Select File.

(Signed) Amanda McGill, Chairperson

COMMITTEE REPORTS

Enrollment and Review

LEGISLATIVE BILL 204A. Placed on Final Reading Second.

LEGISLATIVE BILL 210. Placed on Final Reading Second.

(Signed) Amanda McGill, Chairperson

NOTICE OF COMMITTEE HEARINGS

Government, Military and Veterans Affairs

Room 1507

Wednesday, February 06, 2008 1:30 p.m.

LB824

LB921

LB871

LR223

(Signed) Ray Aguilar, Chairperson

Revenue

Room 1524

Wednesday, February 20, 2008 1:30 p.m.

LB1118

LB1008

LB1039

LB1111

LB1110

Thursday, February 21, 2008 1:30 p.m.

LB714
LB770
LB1140
LB894
LB983

Friday, February 22, 2008 1:30 p.m.

LB1007
LB1017
LB1080
LB1081
LB1098

Wednesday, February 27, 2008 1:30 p.m.

LB1071
LB1149
LB777
LB931
LB922

Thursday, February 28, 2008 1:30 p.m.

LB944
LB1037
LB1038

(Signed) Ray Janssen, Chairperson

Appropriations

Room 1524

Monday, February 11, 2008 1:30 p.m.

Agency 5 - Supreme Court
Agency 11 - Attorney General
Agency 46 - Correctional Services, Department of
Agency 64 - State Patrol, Nebraska
Agency 78 - Nebraska Commission on Law Enforcement and Criminal
Justice

LB982

Tuesday, February 12, 2008 1:30 p.m.

Agency 25 - Health and Human Services
Agency 28 - Veterans

LB842
LB795
LB940
LB1119

Room 1003

Wednesday, February 13, 2008 1:30 p.m.

Agency 13 - Education, Department of
Agency 69 - Arts Council, Nebraska
Agency 85 - Nebraska Public Employees Retirement Board

LB1133
LB1165

Thursday, February 14, 2008 1:30 p.m.

LB811
LB771
LB1035
LB1139

Room 1524

Tuesday, February 19, 2008 1:30 p.m.

LB1093
LB1156

Room 1003

Wednesday, February 20, 2008 1:30 p.m.

LB966
LB1018
LB1168

(Signed) Lavon Heidemann, Chairperson

COMMITTEE REPORT

Agriculture

The Agriculture Committee desires to report favorably upon the appointment(s) listed below. The Committee suggests the appointment(s) be confirmed by the Legislature and suggests a record vote.

Todd Reed - Beginning Farmer Board
 Mark Graff - Beginning Farmer Board
 Melvin Valasek - Beginning Farmer Board
 Donald Anthony - Beginning Farmer Board
 Darrell Mark - Beginning Farmer Board

Aye: 7 Senators Dierks, Dubas, Erdman, Karpisek, McDonald, Preister, Wallman. Nay: 0. Absent: 1 Senator Chambers.

(Signed) Philip Erdman, Chairperson

MOTION - Withdraw LR231CA

Senator Erdman renewed his motion, MO120, found on page 426, to withdraw LR231CA.

The Erdman motion to withdraw prevailed with 25 ayes, 1 nay, 11 present and not voting, and 12 excused and not voting.

MOTION - Approve Appointment

Senator Aguilar moved the adoption of the Government, Military and Veterans Affairs Committee report for the confirmation of the following appointment(s) found on page 408:

Military Department
 Adjutant General Timothy Kadavy

Voting in the affirmative, 32:

Adams	Dierks	Gay	Louden	Rogert
Aguilar	Engel	Hansen	Nantkes	Stuthman
Avery	Erdman	Harms	Nelson	Wallman
Burling	Fischer	Howard	Pahls	Wightman
Carlson	Flood	Karpisek	Pankonin	
Chambers	Friend	Kopplin	Pirsch	
Christensen	Fulton	Langemeier	Raikes	

Voting in the negative, 0.

Present and not voting, 8:

Dubas	Janssen	McDonald	Preister
Hudkins	Lathrop	McGill	White

Excused and not voting, 9:

Ashford	Heidemann	Kruse	Pedersen	Synowiecki
Cornett	Johnson	Lautenbaugh	Schimek	

The appointment was confirmed with 32 ayes, 0 nays, 8 present and not voting, and 9 excused and not voting.

SELECT FILE

LEGISLATIVE BILL 235. ER8140, found on page 345, was adopted.

Senator Nantkes renewed her amendment, AM1644, found on page 379.

SENATOR MCDONALD PRESIDING

The Nantkes amendment was adopted with 27 ayes, 2 nays, 16 present and not voting, and 4 excused and not voting.

Pending.

COMMITTEE REPORTS

Health and Human Services

LEGISLATIVE BILL 782. Placed on General File with amendment. AM1657

- 1 1. Insert the following section:
- 2 Sec. 6. Since an emergency exists, this act takes effect
- 3 when passed and approved according to law.

(Signed) Tim Gay, Vice Chairperson

Natural Resources

LEGISLATIVE BILL 493. Indefinitely postponed.

LEGISLATIVE BILL 579. Indefinitely postponed.

LEGISLATIVE BILL 583. Indefinitely postponed.

LEGISLATIVE BILL 652. Indefinitely postponed.

(Signed) LeRoy Louden, Chairperson

AMENDMENTS - Print in Journal

Senators Pirsch, Pahls, Schimek, Stuthman, and White filed the following amendment to LB157:

AM1696

(Amendments to E & R amendments, ER8131)

- 1 1. Strike the original sections and all amendments
- 2 thereto and insert the following new section:
- 3 Section 1. No person shall be prosecuted for any crime
- 4 based solely upon the act of leaving a child in the custody of an
- 5 employee on duty at a hospital licensed by the State of Nebraska.
- 6 The hospital shall promptly contact appropriate authorities to take
- 7 custody of the child.

Senator Hudkins filed the following amendment to LB692:

AM1663

- 1 1. On page 2, line 20, strike "guests" and insert
- 2 "guest".
- 3 2. On page 3, line 5, strike the underscored period and
- 4 insert an underscored semicolon; in line 7 strike the last "or";
- 5 and in line 10 after "gallery" insert "; or
- 6 (e) Any landowner, tenant, or operator or his or her
- 7 guest, if the firearm is discharged for self-protection under
- 8 sections 28-1406 to 28-1416."

NOTICE OF COMMITTEE HEARINGS

Natural Resources

Room 1525

Wednesday, February 06, 2008 1:30 p.m.

LB798

LB799

LB800

Zeiger, Ronald - Environmental Quality Council

LB801

AM1629 to LB801

(Signed) LeRoy Louden, Chairperson

Education

Room 1525

Monday, February 11, 2008 1:30 p.m.

Anderson, Clark - Coordinating Commission for Postsecondary Education

(Signed) Ron Raikes, Chairperson

SELECT FILE

LEGISLATIVE BILL 235. Senator Raikes renewed his amendment, AM1654, found on page 425.

SENATOR ERDMAN PRESIDING

Senator Raikes withdrew his amendment.

Senator Langemeier offered the following amendment:
AM1702

(Amendments to E & R amendments, ER8140)

- 1 1. Strike section 4 and insert the following new
- 2 sections:
- 3 Sec. 5. Section 77-2715.07, Revised Statutes Supplement,
- 4 2007, is amended to read:
- 5 77-2715.07 (1) There shall be allowed to qualified
- 6 resident individuals as a nonrefundable credit against the income
- 7 tax imposed by the Nebraska Revenue Act of 1967:
- 8 (a) A credit equal to the federal credit allowed under
- 9 section 22 of the Internal Revenue Code; and
- 10 (b) A credit for taxes paid to another state as provided
- 11 in section 77-2730.
- 12 (2) There shall be allowed to qualified resident
- 13 individuals against the income tax imposed by the Nebraska Revenue
- 14 Act of 1967:
- 15 (a) For returns filed reporting federal adjusted
- 16 gross incomes of greater than twenty-nine thousand dollars, a
- 17 nonrefundable credit equal to twenty-five percent of the federal
- 18 credit allowed under section 21 of the Internal Revenue Code of
- 19 1986, as amended;
- 20 (b) For returns filed reporting federal adjusted gross
- 21 income of twenty-nine thousand dollars or less, a refundable credit
- 22 equal to a percentage of the federal credit allowable under section
- 1 21 of the Internal Revenue Code of 1986, as amended, whether or
- 2 not the federal credit was limited by the federal tax liability.
- 3 The percentage of the federal credit shall be one hundred percent
- 4 for incomes not greater than twenty-two thousand dollars, and
- 5 the percentage shall be reduced by ten percent for each one
- 6 thousand dollars, or fraction thereof, by which the reported
- 7 federal adjusted gross income exceeds twenty-two thousand dollars;
- 8 (c) A refundable credit for individuals who qualify for
- 9 an income tax credit as an owner of agricultural assets under the
- 10 Beginning Farmer Tax Credit Act for all taxable years beginning or
- 11 deemed to begin on or after January 1, 2001, under the Internal
- 12 Revenue Code of 1986, as amended; and a refundable credit as
- 13 provided in section 77-5209.01 for individuals who qualify for an

14 income tax credit as a qualified beginning farmer or livestock
15 producer under the Beginning Farmer Tax Credit Act for all taxable
16 years beginning or deemed to begin on or after January 1, 2006,
17 under the Internal Revenue Code of 1986, as amended;

18 (d) A refundable credit for individuals who qualify for
19 an income tax credit under the Nebraska Advantage Microenterprise
20 Tax Credit Act or the Nebraska Advantage Research and Development
21 Act; and

22 (e) A refundable credit equal to ten percent of the
23 federal credit allowed under section 32 of the Internal Revenue
24 Code of 1986, as amended.

25 (3) There shall be allowed to all individuals as a
26 nonrefundable credit against the income tax imposed by the Nebraska
27 Revenue Act of 1967:

1 (a) A credit for personal exemptions allowed under
2 section 77-2716.01;

3 (b) A credit for contributions to certified community
4 betterment programs as provided in the Community Development
5 Assistance Act. Each partner, each shareholder of an electing
6 subchapter S corporation, each beneficiary of an estate or trust,
7 or each member of a limited liability company shall report his or
8 her share of the credit in the same manner and proportion as he
9 or she reports the partnership, subchapter S corporation, estate,
10 trust, or limited liability company income; and

11 (c) A credit for investment in a biodiesel facility as
12 provided in section 77-27,236.

13 (4) There shall be allowed as a credit against the income
14 tax imposed by the Nebraska Revenue Act of 1967:

15 (a) A credit to all resident estates and trusts for taxes
16 paid to another state as provided in section 77-2730; and

17 (b) A credit to all estates and trusts for contributions
18 to certified community betterment programs as provided in the
19 Community Development Assistance Act.

20 (5)(a) For all taxable years beginning on or after
21 January 1, 2007, and before January 1, 2009, under the Internal
22 Revenue Code of 1986, as amended, there shall be allowed to each
23 partner, shareholder, member, or beneficiary of a partnership,
24 subchapter S corporation, limited liability company, or estate or
25 trust a nonrefundable credit against the income tax imposed by
26 the Nebraska Revenue Act of 1967 equal to fifty percent of the
27 partner's, shareholder's, member's, or beneficiary's portion of the
1 amount of franchise tax paid to the state under sections 77-3801 to
2 77-3807 by a financial institution.

3 (b) For all taxable years beginning on or after January
4 1, 2009, under the Internal Revenue Code of 1986, as amended,
5 there shall be allowed to each partner, shareholder, member, or
6 beneficiary of a partnership, subchapter S corporation, limited
7 liability company, or estate or trust a nonrefundable credit
8 against the income tax imposed by the Nebraska Revenue Act of 1967

9 equal to the partner's, shareholder's, member's, or beneficiary's
10 portion of the amount of franchise tax paid to the state under
11 sections 77-3801 to 77-3807 by a financial institution.

12 (c) Each partner, shareholder, member, or beneficiary
13 shall report his or her share of the credit in the same manner
14 and proportion as he or she reports the partnership, subchapter S
15 corporation, limited liability company, or estate or trust income.
16 If any partner, shareholder, member, or beneficiary cannot fully
17 utilize the credit for that year, the credit may not be carried
18 forward or back.

19 (6) There shall be allowed to individuals as a
20 nonrefundable credit against the income tax imposed by the Nebraska
21 Revenue Act of 1967 a credit as provided in the Nebraska Advantage
22 Film Production Incentive Act.

23 Sec. 6. Section 77-2717, Revised Statutes Supplement,
24 2007, is amended to read:

25 77-2717 (1)(a) The tax imposed on all resident estates
26 and trusts shall be a percentage of the federal taxable income
27 of such estates and trusts as modified in section 77-2716, plus
1 a percentage of the federal alternative minimum tax and the
2 federal tax on premature or lump-sum distributions from qualified
3 retirement plans. The additional taxes shall be recomputed by (i)
4 substituting Nebraska taxable income for federal taxable income,
5 (ii) calculating what the federal alternative minimum tax would
6 be on Nebraska taxable income and adjusting such calculations for
7 any items which are reflected differently in the determination of
8 federal taxable income, and (iii) applying Nebraska rates to the
9 result. The federal credit for prior year minimum tax, after the
10 recomputations required by the Nebraska Revenue Act of 1967, and
11 the credits provided in the Nebraska Advantage Microenterprise Tax
12 Credit Act and the Nebraska Advantage Research and Development
13 Act shall be allowed as a reduction in the income tax due. A
14 refundable income tax credit shall be allowed for all resident
15 estates and trusts under the Nebraska Advantage Microenterprise Tax
16 Credit Act and the Nebraska Advantage Research and Development Act.
17 A nonrefundable income tax credit shall be allowed for all resident
18 estates and trusts under the Nebraska Advantage Film Production
19 Incentive Act.

20 (b) The tax imposed on all nonresident estates and trusts
21 shall be the portion of the tax imposed on resident estates and
22 trusts which is attributable to the income derived from sources
23 within this state. The tax which is attributable to income derived
24 from sources within this state shall be determined by multiplying
25 the liability to this state for a resident estate or trust with
26 the same total income by a fraction, the numerator of which is
27 the nonresident estate's or trust's Nebraska income as determined
1 by sections 77-2724 and 77-2725 and the denominator of which is
2 its total federal income after first adjusting each by the amounts
3 provided in section 77-2716. The federal credit for prior year

4 minimum tax, after the recomputations required by the Nebraska
5 Revenue Act of 1967, reduced by the percentage of the total income
6 which is attributable to income from sources outside this state,
7 and the credits provided in the Nebraska Advantage Microenterprise
8 Tax Credit Act and the Nebraska Advantage Research and Development
9 Act shall be allowed as a reduction in the income tax due. A
10 refundable income tax credit shall be allowed for all nonresident
11 estates and trusts under the Nebraska Advantage Microenterprise
12 Tax Credit Act and the Nebraska Advantage Research and Development
13 Act. A nonrefundable income tax credit shall be allowed for all
14 nonresident estates and trusts under the Nebraska Advantage Film
15 Production Incentive Act.

16 (2) In all instances wherein a fiduciary income tax
17 return is required under the provisions of the Internal Revenue
18 Code, a Nebraska fiduciary return shall be filed, except that a
19 fiduciary return shall not be required to be filed regarding a
20 simple trust if all of the trust's beneficiaries are residents of
21 the State of Nebraska, all of the trust's income is derived from
22 sources in this state, and the trust has no federal tax liability.
23 The fiduciary shall be responsible for making the return for the
24 estate or trust for which he or she acts, whether the income be
25 taxable to the estate or trust or to the beneficiaries thereof.
26 The fiduciary shall include in the return a statement of each
27 beneficiary's distributive share of net income when such income is
1 taxable to such beneficiaries.

2 (3) The beneficiaries of such estate or trust who are
3 residents of this state shall include in their income their
4 proportionate share of such estate's or trust's federal income and
5 shall reduce their Nebraska tax liability by their proportionate
6 share of the credits as provided in the Nebraska Advantage Film
7 Production Incentive Act, the Nebraska Advantage Microenterprise
8 Tax Credit Act, and the Nebraska Advantage Research and Development
9 Act. There shall be allowed to a beneficiary a refundable income
10 tax credit under the Beginning Farmer Tax Credit Act for all
11 taxable years beginning or deemed to begin on or after January 1,
12 2001, under the Internal Revenue Code of 1986, as amended.

13 (4) If any beneficiary of such estate or trust is a
14 nonresident during any part of the estate's or trust's taxable
15 year, he or she shall file a Nebraska income tax return which
16 shall include (a) in Nebraska adjusted gross income that portion
17 of the estate's or trust's Nebraska income, as determined under
18 sections 77-2724 and 77-2725, allocable to his or her interest
19 in the estate or trust and (b) a reduction of the Nebraska tax
20 liability by his or her proportionate share of the credits as
21 provided in the Nebraska Advantage Film Production Incentive Act,
22 the Nebraska Advantage Microenterprise Tax Credit Act, and the
23 Nebraska Advantage Research and Development Act and shall execute
24 and forward to the fiduciary, on or before the original due date
25 of the Nebraska fiduciary return, an agreement which states that he

26 or she will file a Nebraska income tax return and pay income tax
27 on all income derived from or connected with sources in this state,
1 and such agreement shall be attached to the Nebraska fiduciary
2 return for such taxable year.

3 (5) In the absence of the nonresident beneficiary's
4 executed agreement being attached to the Nebraska fiduciary return,
5 the estate or trust shall remit a portion of such beneficiary's
6 income which was derived from or attributable to Nebraska sources
7 with its Nebraska return for the taxable year. The amount of
8 remittance, in such instance, shall be the highest individual
9 income tax rate determined under section 77-2715.02 multiplied by
10 the nonresident beneficiary's share of the estate or trust income
11 which was derived from or attributable to sources within this
12 state. The amount remitted shall be allowed as a credit against the
13 Nebraska income tax liability of the beneficiary.

14 (6) The Tax Commissioner may allow a nonresident
15 beneficiary to not file a Nebraska income tax return if the
16 nonresident beneficiary's only source of Nebraska income was his or
17 her share of the estate's or trust's income which was derived from
18 or attributable to sources within this state, the nonresident did
19 not file an agreement to file a Nebraska income tax return, and
20 the estate or trust has remitted the amount required by subsection
21 (5) of this section on behalf of such nonresident beneficiary. The
22 amount remitted shall be retained in satisfaction of the Nebraska
23 income tax liability of the nonresident beneficiary.

24 (7) For purposes of this section, unless the context
25 otherwise requires, simple trust shall mean any trust instrument
26 which (a) requires that all income shall be distributed currently
27 to the beneficiaries, (b) does not allow amounts to be paid,
1 permanently set aside, or used in the tax year for charitable
2 purposes, and (c) does not distribute amounts allocated in the
3 corpus of the trust. Any trust which does not qualify as a simple
4 trust shall be deemed a complex trust.

5 Sec. 7. Section 77-2734.03, Revised Statutes Supplement,
6 2007, is amended to read:

7 77-2734.03 (1)(a) For taxable years commencing prior to
8 January 1, 1997, any (i) insurer paying a tax on premiums and
9 assessments pursuant to section 77-908 or 81-523, (ii) electric
10 cooperative organized under the Joint Public Power Authority Act,
11 or (iii) credit union shall be credited, in the computation of
12 the tax due under the Nebraska Revenue Act of 1967, with the
13 amount paid during the taxable year as taxes on such premiums and
14 assessments and taxes in lieu of intangible tax.

15 (b) For taxable years commencing on or after January 1,
16 1997, any insurer paying a tax on premiums and assessments pursuant
17 to section 77-908 or 81-523, any electric cooperative organized
18 under the Joint Public Power Authority Act, or any credit union
19 shall be credited, in the computation of the tax due under the
20 Nebraska Revenue Act of 1967, with the amount paid during the

21 taxable year as (i) taxes on such premiums and assessments included
 22 as Nebraska premiums and assessments under section 77-2734.05 and
 23 (ii) taxes in lieu of intangible tax.

24 (c) For taxable years commencing or deemed to commence
 25 prior to, on, or after January 1, 1998, any insurer paying a tax on
 26 premiums and assessments pursuant to section 77-908 or 81-523 shall
 27 be credited, in the computation of the tax due under the Nebraska
 1 Revenue Act of 1967, with the amount paid during the taxable year
 2 as assessments allowed as an offset against premium and related
 3 retaliatory tax liability pursuant to section 44-4233.

4 (2) There shall be allowed to corporate taxpayers a
 5 tax credit for contributions to community betterment programs as
 6 provided in the Community Development Assistance Act.

7 (3) There shall be allowed to corporate taxpayers a
 8 refundable income tax credit under the Beginning Farmer Tax Credit
 9 Act for all taxable years beginning or deemed to begin on or
 10 after January 1, 2001, under the Internal Revenue Code of 1986, as
 11 amended.

12 (4) The changes made to this section by Laws 2004, LB
 13 983, apply to motor fuels purchased during any tax year ending
 14 or deemed to end on or after January 1, 2005, under the Internal
 15 Revenue Code of 1986, as amended.

16 (5) There shall be allowed to corporate taxpayers
 17 refundable income tax credits under the Nebraska Advantage
 18 Microenterprise Tax Credit Act and the Nebraska Advantage Research
 19 and Development Act.

20 (6) There shall be allowed to corporate taxpayers a
 21 nonrefundable income tax credit for investment in a biodiesel
 22 facility as provided in section 77-27,236.

23 (7) There shall be allowed to corporate taxpayers a
 24 nonrefundable income tax credit as provided in the Nebraska
 25 Advantage Film Production Incentive Act.

26 Sec. 8. This act becomes operative for all taxable years
 27 beginning or deemed to begin on or after January 1, 2008, under the
 1 Internal Revenue Code of 1986, as amended.

2 Sec. 9. Original sections 77-2715.07, 77-2717, and
 3 77-2734.03, Revised Statutes Supplement, 2007, are repealed.

4 2. On page 1, line 3, strike "5" and insert "4".

5 3. On page 2, line 15, strike "A rebate" and insert "A
 6 nonrefundable income tax credit"; in line 18 strike "paid" and
 7 insert "available"; and in line 22 strike "rebate paid" and insert
 8 "income tax credit available".

9 4. On page 3, line 5, strike "rebate paid" and insert
 10 "income tax credit available"; in line 8 strike "rebate" and insert
 11 "tax credit"; and in line 10 strike "a rebate payment" and insert
 12 "an income tax credit".

13 5. On page 4, lines 10 and 15, strike "rebate" and
 14 insert "income tax credit"; in line 18 strike "rebate" and insert
 15 "income tax credits" and strike "State Treasurer" and insert "Tax

16 Commissioner"; and strike beginning with "The" in line 19 through
 17 line 27 and insert "The amount of income tax credits approved by
 18 the office for any tax year shall not exceed five million dollars.
 19 A production company may carry forward unused income tax credits
 20 for three tax years.".

21 6. On page 5, strike line 1.

22 7. Renumber the remaining section accordingly.

Senator Langemeier offered the following amendment to his amendment:
 AM1711

(Amendments to AM1702)

1 1. On page 11, line 20 after the underscored period
 2 insert:
 3 "(6) Any income tax credit allowable to a partnership,
 4 a limited liability company, a subchapter S corporation, a
 5 cooperative, including a cooperative exempt under section 521
 6 of the Internal Revenue Code of 1986, as amended, a limited
 7 cooperative association, or an estate or trust may be distributed
 8 to the partners, members, shareholders, patrons, or beneficiaries
 9 in the same manner as income is distributed for use against their
 10 income tax liabilities.".

Pending.

SELECT FILE

LEGISLATIVE BILL 465. ER8142, found on page 358, was adopted.

Advanced to Enrollment and Review for Engrossment.

LEGISLATIVE BILL 196. ER8146, found on page 362, was adopted.

Advanced to Enrollment and Review for Engrossment.

LEGISLATIVE BILL 632. ER8147, found on page 386, was adopted.

Advanced to Enrollment and Review for Engrossment.

LEGISLATIVE BILL 621. ER8150, found on page 387, was adopted.

Advanced to Enrollment and Review for Engrossment.

LEGISLATIVE BILL 480. ER8149, found on page 389, was adopted.

Advanced to Enrollment and Review for Engrossment.

COMMITTEE REPORTS
Urban Affairs

LEGISLATIVE BILL 813. Placed on General File.

LEGISLATIVE BILL 947. Placed on General File.

LEGISLATIVE BILL 768. Placed on General File with amendment.
AM1682 is available in the Bill Room.

(Signed) Mike Friend, Chairperson

NOTICE OF COMMITTEE HEARINGS
Nebraska Retirement Systems

Room 1525

Wednesday, February 13, 2008 8:30 a.m.

Riffel, Norm - Nebraska Investment Council

(Signed) John Synowiecki, Chairperson

Judiciary

Room 1113

Wednesday, February 27, 2008 1:30 p.m.

LR234 (cancel)

Wednesday, February 20, 2008 1:30 p.m.

LR234 (reschedule)

Wednesday, February 20, 2008 1:30 p.m.

LR224 (cancel)

Wednesday, February 27, 2008 1:30 p.m.

LR224 (reschedule)

(Signed) Brad Ashford, Chairperson

COMMITTEE REPORT
Health and Human Services

The Health and Human Services Committee desires to report favorably upon the appointment(s) listed below. The Committee suggests the appointment(s) be confirmed by the Legislature and suggests a record vote.

Chief Executive Officer Christine Peterson - Nebraska Department of Health and Human Services
 Director within HHS Scot Adams - Nebraska Department of Health and Human Services
 Director within HHS Todd Landry - Nebraska Department of Health and Human Services
 Director within HHS Vivianne Chaumont - Nebraska Department of Health and Human Services
 Chief Medical Officer Joann Schaefer - Nebraska Department of Health and Human Services
 Director within HHS John Hilgert - Nebraska Department of Health and Human Services
 Director within HHS John C. Wyvill - Nebraska Department of Health and Human Services

Aye: 6 Senators Erdman, Gay, Hansen, Howard, Pankonin, Stuthman. Nay: 0. Absent: 1 Senator Johnson.

(Signed) Tim Gay, Vice Chairperson

AMENDMENTS - Print in Journal

Senator Cornett filed the following amendment to LB500:
AM1693

1 1. Strike the original sections and all amendments
 2 thereto and insert the following new sections:
 3 Section 1. Section 48-652, Revised Statutes Supplement,
 4 2007, is amended to read:
 5 48-652 (1)(a) A separate experience account shall be
 6 established for each employer who is liable for payment of
 7 contributions. Whenever and wherever in the Employment Security
 8 Law the terms reserve account or experience account are used,
 9 unless the context clearly indicates otherwise, such terms shall be
 10 deemed interchangeable and synonymous and reference to either of
 11 such accounts shall refer to and also include the other.
 12 (b) A separate reimbursement account shall be established
 13 for each employer who is liable for payments in lieu of
 14 contributions. All benefits paid with respect to service in
 15 employment for such employer shall be charged to his or her
 16 reimbursement account and such employer shall be billed for and
 17 shall be liable for the payment of the amount charged when billed
 18 by the commissioner. Payments in lieu of contributions received

19 by the commissioner on behalf of each such employer shall be
20 credited to such employer's reimbursement account, and two or more
21 employers who are liable for payments in lieu of contributions may
22 jointly apply to the commissioner for establishment of a group
23 account for the purpose of sharing the cost of benefits paid that
1 are attributable to service in the employ of such employers. The
2 commissioner shall prescribe such rules and regulations as he or
3 she deems necessary with respect to applications for establishment,
4 maintenance, and termination of group accounts authorized by this
5 subdivision.

6 (2) All contributions paid by an employer shall be
7 credited to the experience account of such employer. State
8 unemployment insurance tax payments shall not be credited to
9 the experience account of each employer. Partial payments of
10 combined tax shall be credited so that at least eighty percent
11 of the combined tax payment excluding interest and penalty is
12 credited first to contributions due. In addition to contributions
13 credited to the experience account, each employer's account shall
14 be credited as of June 30 of each calendar year with interest
15 at a rate determined by the commissioner based on the average
16 annual interest rate paid by the Secretary of the Treasury of
17 the United States of America upon the state's account in the
18 Unemployment Trust Fund for the preceding calendar year multiplied
19 by the balance in his or her experience account at the beginning
20 of such calendar year. If the total credits as of such date to
21 all employers' experience accounts are equal to or greater than
22 ninety percent of the total amount in the Unemployment Compensation
23 Fund, no interest shall be credited for that year to any employer's
24 account. Contributions with respect to prior years which are
25 received on or before January 31 of any year shall be considered
26 as having been paid at the beginning of the calendar year. All
27 voluntary contributions which are received on or before January
1 10 of any year shall be considered as having been paid at the
2 beginning of the calendar year.

3 (3)(a) Each experience account shall be charged only
4 for benefits based upon wages paid by such employer. No benefits
5 shall be charged to the experience account of any employer if (i)
6 such benefits were paid on the basis of a period of employment
7 from which the claimant (A) left work voluntarily without good
8 cause, (B) left work voluntarily due to a nonwork-connected illness
9 or injury, (C) left work voluntarily with good cause to escape
10 abuse as defined in section 42-903 between household members as
11 provided in subdivision (1) of section 48-628.01, (D) left work
12 from which he or she was discharged for misconduct connected with
13 his or her work, or (E) left work voluntarily and is entitled to
14 unemployment benefits without disqualification in accordance with
15 subdivision (3) or (5) of section 48-628.01 and (ii) the employer
16 has filed timely notice of the facts on which such exemption is
17 claimed in accordance with rules and regulations prescribed by

18 the commissioner. No benefits shall be charged to the experience
19 account of any employer if such benefits were paid on the basis
20 of wages paid in the base period that are wages for insured
21 work solely by reason of subdivision (5)(b) of section 48-627. No
22 benefits shall be charged to the experience account of any employer
23 if such benefits were paid during a week when the individual was
24 participating in training approved under section 236(a)(1) of the
25 federal Trade Act of 1974, 19 U.S.C. 2296(a)(1).

26 (b) Each reimbursement account shall be charged only for
27 benefits paid that were based upon wages paid by such employer in
1 the base period that were wages for insured work solely by reason
2 of subdivision (5) of section 48-627.

3 (c) Benefits paid to an eligible individual shall be
4 charged against the account of his or her most recent employers
5 within his or her base period against whose accounts the maximum
6 charges hereunder have not previously been made in the inverse
7 chronological order in which the employment of such individual
8 occurred. The maximum amount so charged against the account of any
9 employer, other than an employer for which services in employment
10 as provided in subdivision (4)(a) of section 48-604 are performed,
11 shall not exceed the total benefit amount to which such individual
12 was entitled as set out in section 48-626 with respect to base
13 period wages of such individual paid by such employer plus one-half
14 the amount of extended benefits paid to such eligible individual
15 with respect to base period wages of such individual paid by
16 such employer. The commissioner shall by rules and regulations
17 prescribe the manner in which benefits shall be charged against
18 the account of several employers for whom an individual performed
19 employment during the same quarter or during the same base period.
20 Any benefit check duly issued and delivered or mailed to a claimant
21 and not presented for payment within one year from the date of its
22 issue may be invalidated and the amount thereof credited to the
23 Unemployment Compensation Fund, except that a substitute check may
24 be issued and charged to the fund on proper showing at any time
25 within the year next following. Any charge made to an employer's
26 account for any such invalidated check shall stand as originally
27 made.

1 (4)(a) An employer's experience account shall be deemed
2 to be terminated one calendar year after such employer has ceased
3 to be subject to the Employment Security Law, except that if the
4 commissioner finds that an employer's business is closed solely
5 because of the entrance of one or more of the owners, officers,
6 partners, or limited liability company members or the majority
7 stockholder into the armed forces of the United States, or of any
8 of its allies, after July 1, 1950, such employer's account shall
9 not be terminated and, if the business is resumed within two years
10 after the discharge or release from active duty in the armed forces
11 of such person or persons, the employer's experience account shall
12 be deemed to have been continuous throughout such period.

13 (b) An experience account terminated pursuant to this
 14 subsection shall be reinstated if (i) the employer becomes subject
 15 again to the Employment Security Law within one calendar year after
 16 termination of such experience account and the employer makes a
 17 written application for reinstatement of such experience account
 18 to the commissioner within two calendar years after termination of
 19 such experience account and (ii) the commissioner finds that the
 20 employer is operating substantially the same business as prior to
 21 the termination of such experience account.

22 (5) All money in the Unemployment Compensation Fund shall
 23 be kept mingled and undivided. The payment of benefits to an
 24 individual shall in no case be denied or withheld because the
 25 experience account of any employer does not have a total of
 26 contributions paid in excess of benefits charged to such experience
 27 account.

1 (6) A contributory or reimbursable employer shall be
 2 relieved of charges if the employer was previously charged for
 3 wages and the same wages are being used a second time to establish
 4 a new claim as a result of the October 1, 1988, change in the base
 5 period.

6 Sec. 2. Original section 48-652, Revised Statutes
 7 Supplement, 2007, is repealed.

Senator Lathrop filed the following amendment to LB586:
 AM1705

(Amendments to E & R amendments, ER8143)

1 1. On page 1, line 16, after "under" insert "private";
 2 in line 17 after "another" insert "private"; and in line 20 after
 3 the period insert "The measure of damages for medical expenses
 4 in liability claims shall be the private party rate, not the
 5 discounted amount.".

UNANIMOUS CONSENT - Room Changes

Senator Erdman asked unanimous consent that the Agriculture Committee conduct its hearing on Tuesday, February 12, 2008, in Room 1510 and the Urban Affairs Committee conduct its hearing in Room 2102. No objections. So ordered.

UNANIMOUS CONSENT - Add Cointroducers

Senator Carlson asked unanimous consent to add his name as cointroducer to LB894, LB974, and LB1012. No objections. So ordered.

Senator Pirsch asked unanimous consent to add his name as cointroducer to LB920. No objections. So ordered.

Senator Preister asked unanimous consent to add his name as cointroducer to LB1170. No objections. So ordered.

VISITORS

Visitors to the Chamber were 28 college students and teacher from Union College, Lincoln; and Brian Inselman, Dan Miriovsky, Amanda Drey, Kirk Peck, Mark Bertch, and Nicole Koch from Omaha.

The Doctor of the Day was Dr. Kyle Haeefele from Lincoln.

ADJOURNMENT

At 11:52 a.m., on a motion by Senator Harms, the Legislature adjourned until 9:00 a.m., Thursday, January 31, 2008.

Patrick J. O'Donnell
Clerk of the Legislature